

Purchasing Week

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Company-Wide Glasses End Myopic Vision

New York—The purchasing department of today **SEE PAGE 12** will supply many top management men tomorrow. But they will have to qualify.

This is the message of six top management men in this issue. All started their careers in purchasing.

The "ability to get along with people" is probably the main asset stressed for the want-to-get-ahead P.A. Others include acquiring company-wide knowledge of all operations of your company and its products, mixing constantly in outside activities, and acquiring more knowledge of management in general.

The big "lack" that purchasing men have is pictured as "a myopic viewpoint which looks at purchasing as an end in itself rather than an important segment of over-all company activity."

Purchasing Week SPECIAL REPORT

'Boom Without Shortages' Predicted; P.A.'s Must Pry Profits from Prices

New York—More and more top industry executives realize that purchasing is their next big and important new source of profits. This has sent many into the market recently for "expert" advice on how to tie purchasing in more closely with the management picture.

McKinsey & Co., one of the country's most sought-after management consulting firms, stresses improved management knowledge and control of the purchasing function as the only key to survival for many firms in the coming "economic boom of the '60's."

(Continued on page 22)



RICHARD W. TAYLOR

This Week's

Purchasing Perspective

FEBRUARY 23-
MARCH 1

Suppose the president of your company were to walk into your office one morning with this startling proposal:

The board of directors had voted to place a special fund of \$100,000 at the complete disposal of the purchasing director to use at his own discretion during the next 12 months. This is "windfall" money and no strings are attached. Only stipulation is that it must be spent for the good of the company.

As the "expert" responsible for spending most of the company's total income under normal circumstances, how would you use this cash?

Unreal as it may be, the situation poses interesting possibilities. Since "good of the company" is the only limiting factor, the money need not be spent necessarily in activities affecting your department.

But why not use it in the course of regular purchasing functions? What an opportunity to prove the profit potential of the P.A.

Maybe you could safely raise some salaries throughout the firm? Such a moral booster!

How about stocking up with \$75,000 more in inventory items? Or hold out \$10,000 for a good management survey which will play up the importance of the purchasing function?

Add a few more buyers? Secretaries? Install an E.D.P. system for all departments? How about rebuilding the shipping platform? What an ad infinitum, nerve-wracking opportunity!

A survey similar to the above "P.A. Aspirations" situation
(Continued on page 21)

Firmer Copper Prices Are Expected Until Spring as P.A.'s Speed Buying

Shorter Work Week, Higher Pay A.F.L.-C.I.O. Leaders' Weapons

Because purchasing decisions are tied so closely this year to labor developments, PURCHASING WEEK has its own correspondent covering the current A.F.L.-C.I.O. executive council meeting in Puerto Rico. The following dispatch is the first which will highlight bargaining and legislative plans of the labor strategists—Editor.

Congress Probes Hit At Defense Program Purchasing Policies

Washington—The investigation-bent 86th Congress is taking a searching look into every facet of the defense program.

For the Pentagon—the nation's biggest buyer of goods and services (some \$25-billion worth this year)—the congressional probes will likely have an impact on procurement in terms of both policy and volume.

On the procurement policy side, the congressional inquiries will center on these issues:

- The trend toward contracting through negotiated procurement rather than formal advertised bidding. Some 85% of military orders are now negotiated.
- The concentration of prime contract awards among a few big companies. Last year, the 100 leading producers held 74.2% of the business compared to 68.4% the year before; the 20 top companies were awarded 52.7% of prime contracts compared to 45.5% earlier.
- Small business' decreasing share of the military procure—
(Continued on page 14)

Paper Sales to Rise This Year; Prices May Go Up Later

New York—Purchasing executives in just about all branches of industry will be buying more paper and paper products in 1959. And the prices they pay are likely to rise slightly for some specific paper products after mid-year.

Prime reason behind the expected buying boost is the rising level of industrial activity expected to continue throughout this year. Paper, used heavily as a packaging material, is especially dependent on the outlook for the soft-goods segment of the economy. That's because of its increasing use in foods, drugs, and other consumer items. And the nondurable goods outlook for 1959 indicates an 8 to 10% boost in activity over last year is expected.

This close tie to consumer
(Continued on page 3)

San Juan, Puerto Rico — A.F.L.-C.I.O. leaders have targeted unemployment for a mass assault throughout 1959 both in Congress and at the bargaining table. Aiming at national "economic growth," their principal weapons will be a shorter work week, higher pay.

The 29-member executive council of the labor federation gathered here last week to discuss labor strategy which will affect industrial purchasing decisions in many industries during the year. Unemployment was the over-riding topic as union offi—
(Continued on page 21)

Robinson-Patman Act Public Hearings Set To Open March 17

Washington—Hearings on an amendment to the Robinson-Patman anti-price discrimination act will start off congressional consideration of possible new pricing legislation this year.

Estes Kefauver (D.-Tenn.), chairman of the Senate Antitrust & Monopoly Subcommittee, says he will open public hearings March 17 on S. 11—the so-called "good faith" amendment to Robinson-Patman. This bill, which has attracted a total of 24 senators as co-sponsors with Kefauver, is the most controversial price bill Congress will take up. Background of S. 11 is long and
(Continued on page 23)

M.R.O. Snags Send P.A. to Supplier

Chicago — Purchasing executives with M.R.O. inventory problems are turning to suppliers willing to carry "that little extra load."

The trend was cited frequently by Midwest P.A.'s attending the 25th annual products show sponsored by the Purchasing Agents Assn. of Chicago last week. Advocates of the system stressed two main benefits:

- Spare parts inventories, always a headache, are more easily pared to the bone.
- Suppliers thus assured of continued business give better all-around service.

Many among the thousands of buyers who flocked to the three-day show agreed that the various exhibits gave them a keen insight

Better Business, Strike Fears, Higher Prices Push Buyers to Market

New York—The new firmer trend in copper prices is expected to continue well into spring. Results of a new PURCHASING WEEK survey indicates that P.A.'s are generally building up their stocks of the red metal.

Purchasing executives attribute the current buying step-up to three district market factors:

- Expanding industrial production needs—with output in rising trend, copper consumption is steadily increasing.
- Anticipated price hikes—P.A.'s anticipate further price rises and are buying now to beat the anticipated boosts.
- Fear of strikes—a few buyers feel a strike is very possible after midyear and so want to hedge by carrying somewhat higher than normal stocks.

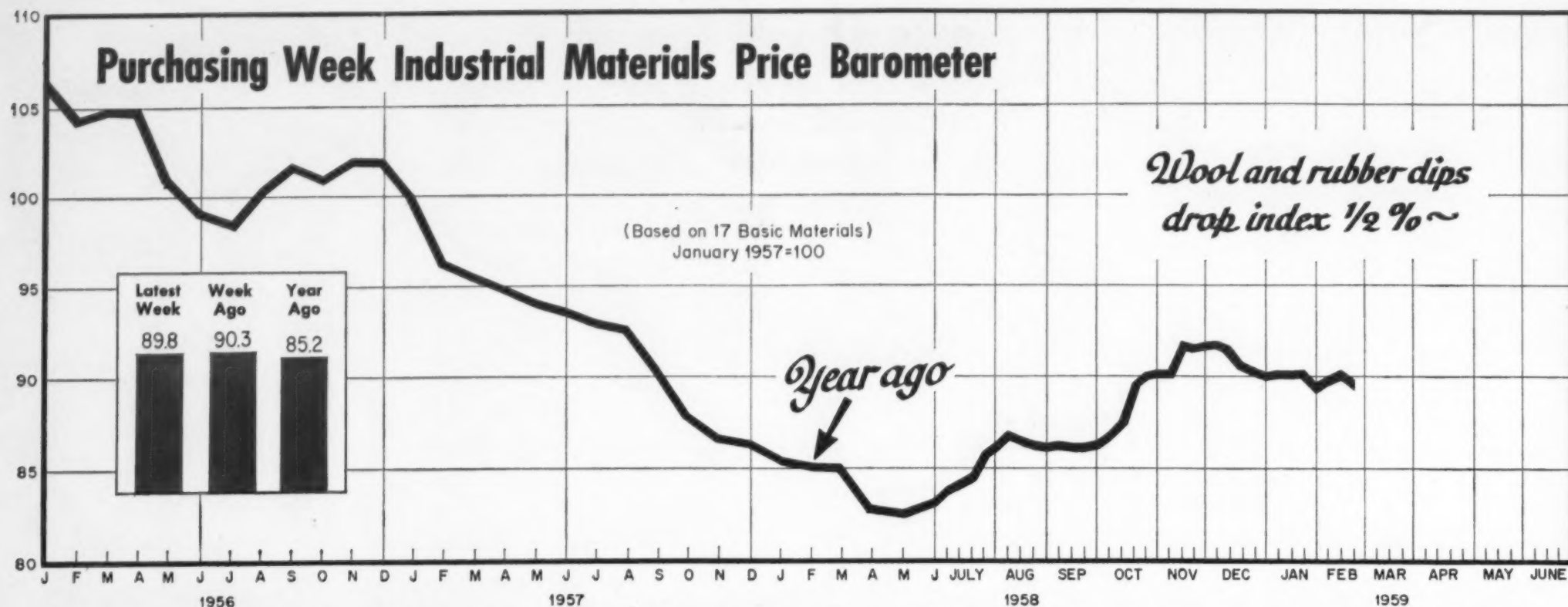
In many ways the situation is the same as steel. In both, a good part of the increased buyer interest stems from hedging against strikes and beating price increases.

Estimates vary on how much
(Continued on page 21)

Steadier Copper W. Europe's Goal

Paris — Western European nonferrous metal fabricators will cooperate in a new program to promote world copper price stability.

Fabricators from 13 countries, meeting at a committee session of the International Wrought Nonferrous Metals Council, agreed last week to prepare statistical information to be made available to copper producers.
(Continued on page 21)



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

flect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's

Price Perspective

FEBRUARY 23-MARCH 1

Offsetting price movements are blunting any over-all trends.

Just as soon as some firming evidence starts to pop up in one place, a weakness begins to appear somewhere else.

When copper goes up, lead goes down. While one chemical or plastic rises, another falls. And so on down the line.

PURCHASING WEEK price indexes—which are basically averages of many specific quotations—reflect these indecisive fluctuations.

P.W.'s sensitive industrial price barometer has been relatively stable now for over a quarter of a year (see above).

Over-all industrial prices show the same sticky pattern. In the last three months, for example, P.W.'s Industrial Wholesale Price Index has risen less than 1/2%. In fact, it is only about 1% above year-ago levels.

This "balancing out" type of price picture is further confirmed by actual price changes reported to **PURCHASING WEEK**.

Since the beginning of this year, a tally of our "Price Changes for P.A.'s" column reveals the following:

Increases—45 items; declines—51 items.

Moreover, if you examine the products involved, the "mixed" price picture becomes even more evident. Raw materials, semi-finished goods, components, and finished goods—all of these areas report both ups and downs.

To be sure, some categories like textiles and heating oils have tended to firm, over-all. But spottiness in other product areas has tended to blunt their effect on the general price averages.

Conclusion: There are very few signs of the concerted strength needed to raise the general price average substantially above current levels.

Actually, this relative price stability is to be expected.

It makes sense in terms of current buying activity.

Industrial demand as represented by manufacturing production is rising at a very leisurely pace—certainly not at a fast enough clip to cause any general tightening of supplies.

The only spectacular purchasing gains have been in steel and copper—where hedge buying has been inflating the demand side of the price equation.

Even the automobile picture—a key barometer of demand—is hardly worth shouting about. Shipments through early February indicate an annual sales rate of only 5 million units—below earlier predictions.

Latest overtime hour index data is another sobering note. January showed the first dip in nine months. And while the drop should prove temporary, it's another indication that demand isn't all that it could be.

It's definitely not the climate for a broad-front firming price trend.

There are just too many weak spots around for that.

• **Unemployment**—This is one of the chief trouble-spots. Last month the jobless figure rose by 600,000. With some 6% of the labor force out of work, unemployment could act as a drag on the economy.

• **Capital Spending**—As yet there's little indication of any appreciable pickup in business spending. More will be known in about two months when McGraw-Hill's annual Capital Spending Survey will be ready.

• **Consumer Buying**—Retail sales have not been as brisk as was hoped. January sales (seasonally adjusted) actually fell below December levels. Consumers, still feeling the effects of the recent recession, are hewing to a more or less cautious "wait-and-see" attitude.

This Week's Commodity Prices

	Feb. 18	Feb. 11	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.275	+ 4.3
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	5.675	5.425	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.9
Steel scrap, #1 heavy, del. Pitts., gross ton	43.00	43.00	35.50	+20.1
Steel scrap, #1 heavy, del. Cleve., gross ton	43.00	43.00	33.50	+28.4
Steel scrap, #1 heavy, del. Chicago, gross ton	44.00	44.00	39.00	+12.8
Aluminum, pig, lb	.247	.247	.26	- 5.0
Secondary aluminum, #380 lb	.218	.218	.212	+ 7.9
Copper, electrolytic, wire bars, refinery, lb	.296	.296	.245	+20.8
Copper scrap, #2, smelters price, lb	.25	.243	.175	+42.9
Lead, common, N.Y., lb	.115	.115	.13	-11.5
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.70	+ 5.7
Tin, Straits, N.Y., lb	1.028	1.02	.944	+ 8.9
Zinc, Prime West, East St. Louis, lb	.115	.115	.10	+15.0
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.25	-11.1
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.75	-13.8
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.70	-20.4
LP-Gas, Propane, Okla. tank cars, gal	.055	.055	.05	+10.0
Gasoline, 91 oct. reg. Chicago, tank car, gal	.115	.115	.12	- 4.2
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.113	.12	.114	- .9
Coal, bituminous, slack, ton	5.75	5.75	6.05	- 5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	-13.9
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut, oil, inedible, crude, tanks, N.Y. lb	.21	.208	.146	+43.8
Glycerine, synthetic, tanks, lb	.278	.278	.278	0
Linseed oil, raw, in drums, carlots, lb	.163	.16	.184	-11.4
Phthalic anhydride, tanks, lb	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.85	9.85	9.60	+ 2.6
Shellac, T.N., N.Y. lb	.30	.30	.33	- 9.1
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.073	.073	.08	- 8.8
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	17.00	0
Bond paper, #1 sulfite, water marked 20 lb, carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.00	9.00	9.50	- 5.3
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.40	0
Old corrugated boxes, dealers, Chicago, ton	23.00	23.00	17.00	+35.3
BUILDING MATERIALS				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.29	4.29	4.42	- 3.0
Glass, window, single B, 40" bracket, box, fob N.Y.	7.90	7.90	7.09	+11.4
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	121.00	120.00	113.00	+ 7.1
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago	134.00	134.00	112.00	+19.6
TEXTILES				
Burlap, 10 oz, 40", 100 yd	10.55	10.55	10.25	+ 2.9
Cotton, middling, 1", N.Y., lb	.357	.357	.359	- .6
Printcloth, 39", 80x80, N.Y., spot, yd	.185	.185	.174	+ 6.3
Rayon, satin acetate, N.Y., yd	.26	.258	.288	- 9.7
Wool tops, N.Y. lb	1.395	1.425	1.585	-12.0
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.	.205	.205	.158	+29.7
Rubber, #1 std ribbed smoked sheets, N.Y., lb	.301	.304	.259	+16.2

Paper Sales Expected to Increase This Year; Prices to Rise Later in Certain Product Lines

Industry Had Good Record During Recession; Production Rose 1% to New Record; but Capital Expenditures Are Slowing Down

(Continued from page 1)
spending enabled the paper and allied products industry to all but completely buck the recent economic recession (see chart at right). The total production in 1958 averaged 160 (1947-49 equals 100), slightly more than 1% above 1957, and a new record.

Production, now hovering around 90% of capacity, should reach a 170 average for 1959. That would represent almost a 7% boost in activity over 1958 and another record year for the industry.

Confirmed by Survey

This expected increase in paper and allied products activity was confirmed by a nationwide spot survey of P.A.'s conducted by PURCHASING WEEK. Over two-thirds of the respondents expect their purchases of paper and allied products to rise from 10 to 25% over 1958 this year. And that increase covers many different paper and paper product areas.

But the P.A.'s queried split right down the middle on their outlook for prices during the remainder of 1959. Just about half look for some rise in average prices, especially during the second-half of the year. The other 50% feel that such factors as stiff competition will prevent increases before the end of the year.

The feeling of this second 50% of the P.A.'s questioned is well substantiated by the history in the above chart. Note how stable average prices have been, especially over the past six months. The current level of 131.5 (1947-49 equals 100) is only 0.5% above the year-ago level.

However, it is unrealistic to expect no further firming of prices with the industry operating at so close to its desired capacity. So P.W. economists expect boosts in a number of specific areas such as: envelope, book, and bond paper, to raise average tags about 1½% by the end of the year.

Discounts Not Available

Aside from standard price rebates for "freight, quantity purchases, and quick payment," most of the P.A.'s contacted by PURCHASING WEEK stated that discounts were just not available. One, however, did tell of rampant price-cutting on certain types of coated, multi-walled, kraft containers.

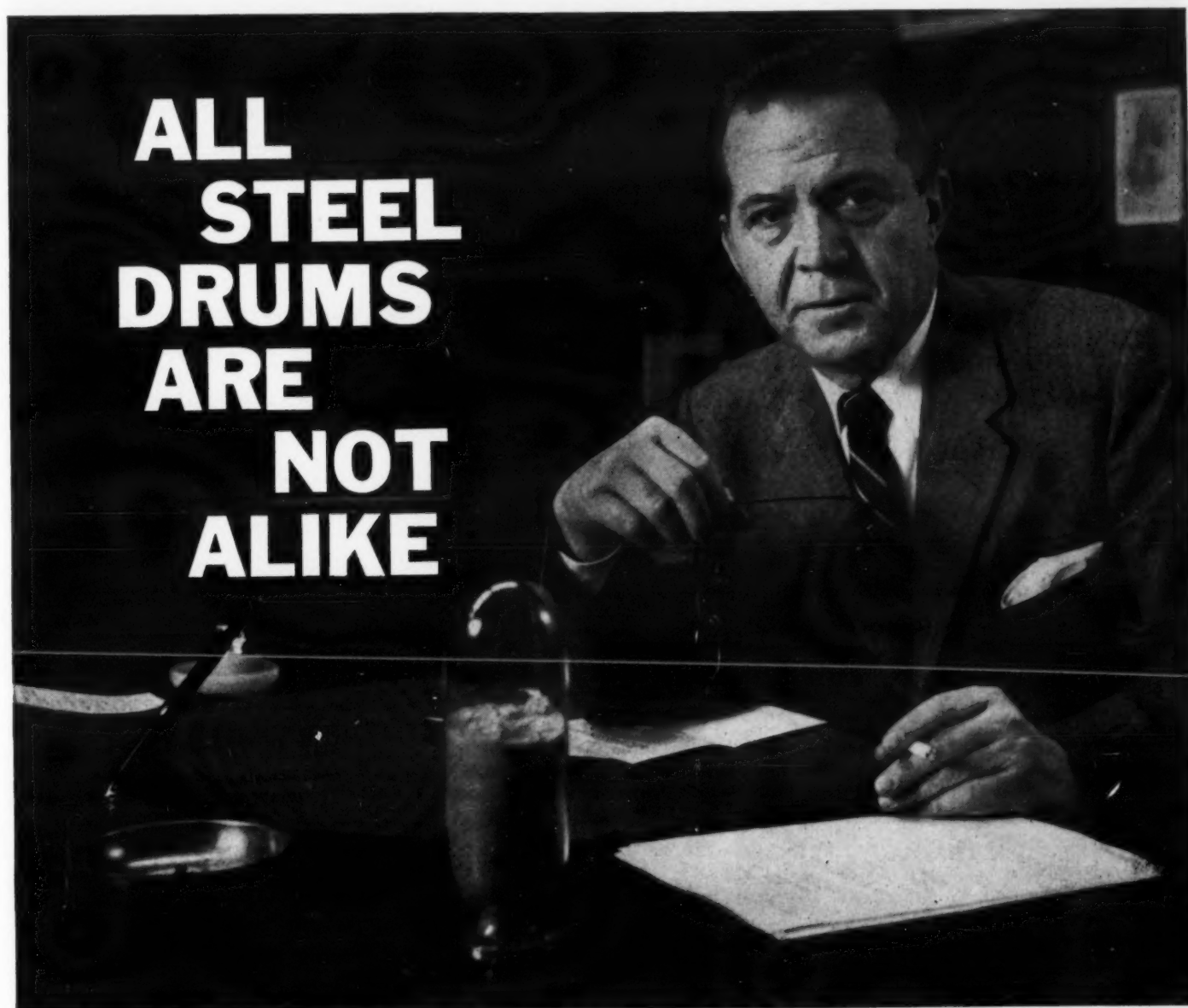
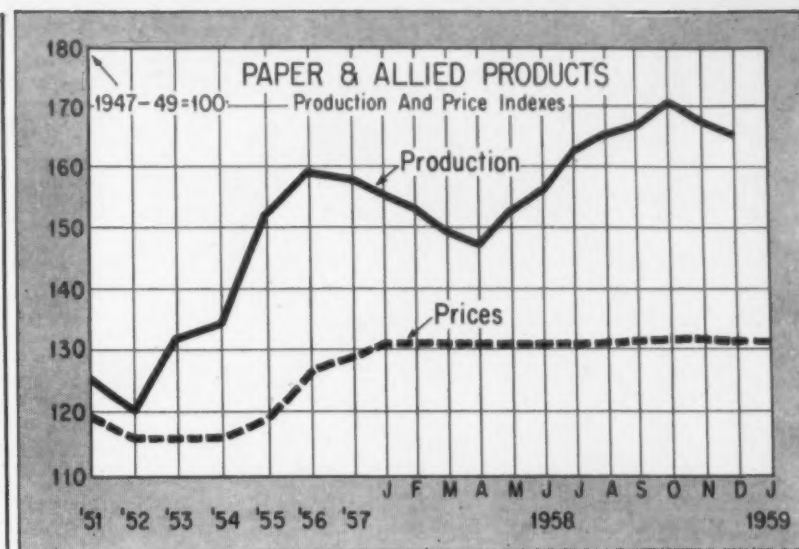
Another P.A. mentioned reduced list prices of 50 to 75¢ per hundred pounds on book, fine, and writing grades of paper especially from marginal mills. And a need to "generate a larger market for their increased production" has also caused producers to cut prices of machine-coated groundwood paper of publishing grades by 19 to 49¢ a hundred pounds, a third respondent reported.

Although the industry is expected to operate at above 90% of capacity during most of 1959,

it has decided to cut back on its expansion plans. Capital expenditures by the industry will drop 6% below 1958 this year in response to the fact that demand has not expanded at the rate that previously was expected.

Current indications, however, point out that 1960 will see the

beginning of another boom in plant expansion among paper and paper product makers. Outlays for new plant and equipment are expected to jump some 12% over 1959 next year. For P.A.'s that means an expanding source of supplies in the growing area of paper and allied products.



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Washington Perspective

FEBRUARY 23-
MARCH 1

Railroads have pushed a foot in the door of the Interstate Commerce Commission for their long sought proposal to write annual hauling contracts with big shippers.

These are so-called "agreed charges" contracts whereby shippers agree to ship a guaranteed volume of goods in return for discount rates.

Aim of the railroads in such agreements is to assure a high volume of traffic in areas where they are in competition with other carriers. Truckers and barge operators are opposed and the matter still is to be finally decided by the I.C.C.

But the rails won the opening round from a commission hearing examiner in a case involving coal shipments in West Virginia, Virginia and Maryland for the Virginia Electric & Power Co. The rails agreed to haul coal at reduced rates from the coal fields to eastern Virginia to offset the utility's plan to set up a generating plant in the fields and wheel electricity in by power line instead.

While the case does not touch directly on the question of competing carriers, a favorable final decision by the full commission undoubtedly will lead to a flurry of applications for other reduced rate contracts.

The Commerce Department is putting a damper on rising interest of U. S. businessmen to step up trade with Russia.

It comes at a time when Russia is embarking on the most important venture in its new trade offensive—that of increasing commercial contacts with the United States.

Commerce Secretary Lewis L. Strauss personally applied the brakes, acting to cut off U. S. copper shipments to Russia by putting copper back on the positive list requiring special government approval for shipment abroad.

Strauss is strongly opposed to any pickup in U. S.-Russian trade. He says he took the step because too many American firms had applied for licenses to ship the red metal.

It was the second time in recent days Strauss has cold shouldered expanded trade between the two nations. He snubbed Anastas Mikoyan's appeal for such during the Red deputy premier's U. S. visit last month.

Strauss may not have the final say in the Administration, however. Undersecretary of State for Economic Affairs Douglas Dillon takes the view that if the Russians want to broaden trade with the U. S., let them.

Moscow shows signs of intending to do just that. It is planning to beef up the staff of Amtorg, the Kremlin's official trading agency in this country, which is advertising a diversified list of goods for sale including:

Iron, chrome, manganese ores; cotton and linen fabrics; food processing machinery; electronic instruments; cameras; small boats and even automobiles. There is also benzene, petroleum, woodpulp, scientific equipment, furs, and possibly aluminum and tin.

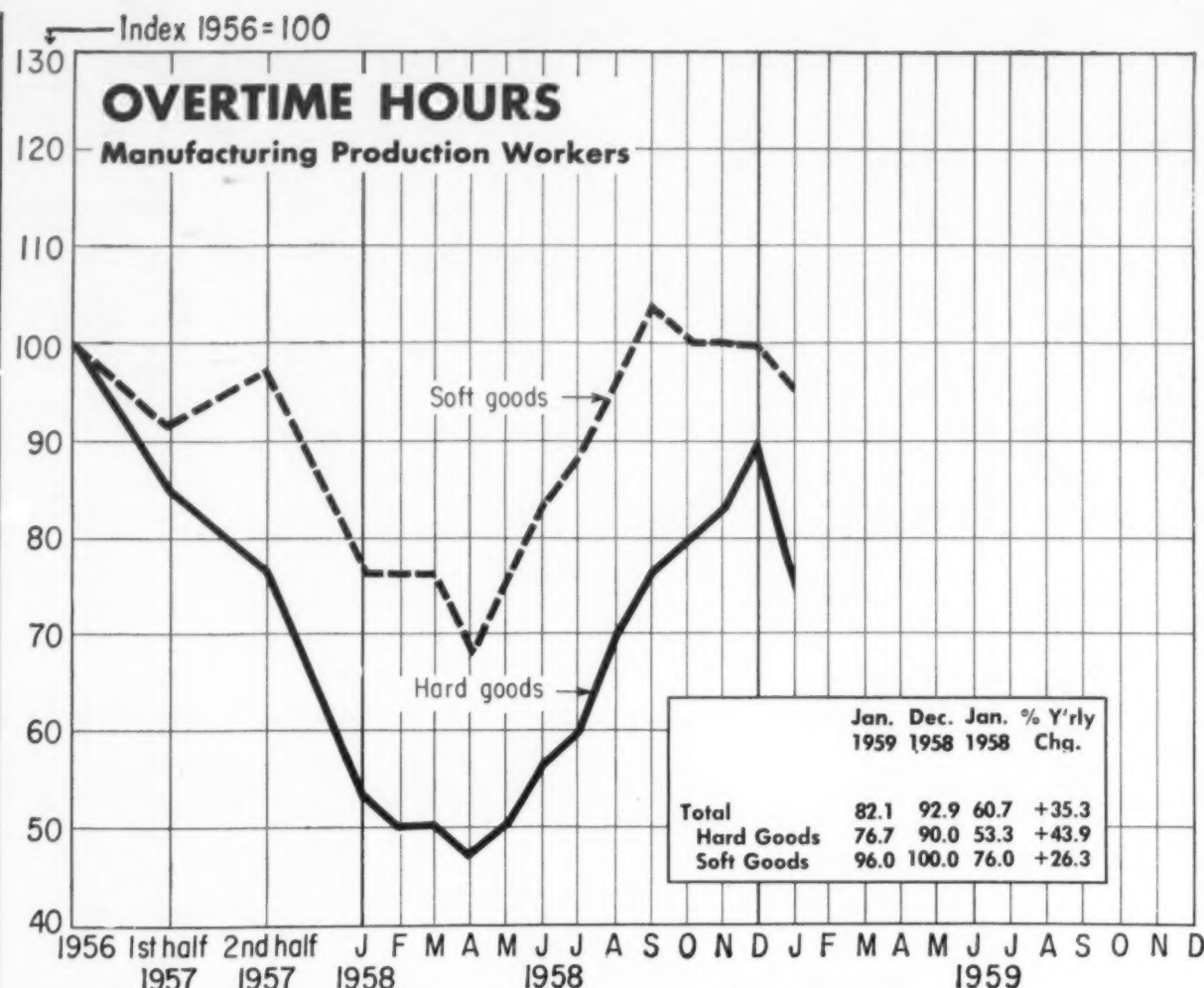
Amtorg says it in turn wants to buy only "non-strategic goods: chemical and plastic production machinery and equipment, non-military electronic equipment, chemical fibres, machinery, machine tools, and other metalworking equipment.

A number of these products already have been bought and sold by Amtorg and it is hoping to expand the list. Russian trade accounts for only a tiny fraction of all U. S. trade, amounting to something like \$30 million annually compared with total U. S. trade of \$35 billion.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,439	2,371*	1,373
Autos, units	115,086	114,282*	101,656
Trucks, units	25,062	24,765*	18,709
Crude runs, thous bbl, daily aver	7,954	8,025	7,520
Distillate fuel oil, thous bbl	15,420	15,009	11,961
Residual fuel oil, thous bbl	7,354	6,761	7,615
Gasoline, thous bbl	26,762	26,913*	26,559
Petroleum refineries operating rate, %	82.5	83.2	82.3
Container board, thous tons	156,227	151,949	113,976
Boxboard, thous tons	154,121	146,422	137,540
Paper operating rate, %	87.3	88.8*	87.9
Lumber, thous of board ft	227,523	225,449	216,432
Bituminous coal, daily aver thous tons	1,383	1,431*	1,234
Electric power, million kilowatt hours	13,156	13,292	12,417
Eng const awards, mil \$ Eng News-Rec	398.3	346.2	338.5

*Revised



Overtime Drops 12% in January

New York—Factory overtime, as measured by PURCHASING WEEK'S Overtime Hour Index, took a breather in January. With all reports now in, overtime last month eased off for the first time in close to a year.

But preliminary signs point to some bounceback this month. When all February data are in, the index should rebound, reflecting the slow steady uptrend in production and new orders.

The latest official level (January) shows the index falling to 82.1 (1956 equals 100). That's close to 12% below the previous month, but still well above last year's 60.7 reading.

Overtime Down in Detroit

Much of the decline can be traced back to curtailment of overtime in many automobile plants. With dealers stocked with cars, and sales just fair, Detroit producers had reduced need for overtime work.

The index, prepared especially for purchasing executives, is designed to signal changes in production and economic activity well in advance of other business barometers.

When overtime hours are rising, it's a pretty good indication that both backlogs and pressures for quick delivery are growing. It's only under such a pressing demand situation that factory managers would be likely and willing to schedule expensive overtime work.

A closer look at the January results show that most of the drop was centered in hard goods categories. However, soft goods didn't escape unscathed. A small 4% drop below December 1958 was recorded in this area.

A detailed breakdown of December figures (just released) is shown in the table above right. It points up the across-the-board aspect of the current recovery pattern. Note that every single hard goods group was above the year ago level—some by substantial amounts.

Overtime Hours of Manufacturing Production Workers Index

	1956 = 100	Latest Month*	Month Ago	Year Ago	% Yrly Change
Hard Goods					
Ordinance & Accessories....	72.4	79.3	79.3	69.0	+ 4.9
Lumber & Wood.....	100.0	103.0	103.0	66.7	+ 49.9
Furniture & Fixtures.....	107.1	96.4	96.4	57.1	+ 87.6
Stone, Clay & Glass.....	80.6	91.7	91.7	66.7	+ 20.8
Primary Metals.....	67.9	64.3	64.3	42.9	+ 58.3
Fabricated Metal Products..	93.3	86.7	86.7	56.7	+ 64.6
Non Electrical Machinery...	59.5	56.8	56.8	43.2	+ 37.7
Electrical Machinery.....	84.6	84.6	84.6	38.5	+119.7
Transportation Equipment..	127.6	113.8	113.8	48.3	+164.2
Instruments.....	91.3	87.0	87.0	65.2	+ 40.0
Soft Goods					
Food.....	97.0	103.0	103.0	87.9	+ 10.4
Tobacco.....	172.7	118.2	118.2	100.0	+ 72.7
Textile Mill Products.....	111.5	115.4	115.4	65.4	+ 70.5
Apparel.....	108.3	108.3	108.3	66.7	+ 62.4
Paper.....	93.5	95.7	95.7	78.3	+ 19.4
Printing & Publishing.....	87.5	78.1	78.1	75.0	+ 16.7
Chemicals.....	95.7	91.3	91.3	82.6	+ 15.9
Petroleum & Coal Products..	65.0	75.0	75.0	70.0	+ 7.2
Rubber Products.....	100.0	100.0	100.0	53.6	+ 86.6
Leather & Products.....	114.3	100.0	100.0	98.6	+ 15.9

* Latest month is December, 1958.

Price Changes for P.A.'s

Textiles—Spot tags of nylon sheers for March delivery are up 1¢ a yd. A 31½¢ a yd. price is now quoted on 51½-in., 100x 86 material.

Chambray fabric is up for the first time in over a year. A 1¢ a yd. boost puts 36-in., 3.60 cloth at 25¢ a yd.

Type 4 carded twills are up 2¢ a yd. for 8.5 oz. cloth. New price is 60½¢ a yd.

A rise of 1½¢ a yd. was made in 42-in. Bedford cord fabric. The 8.5 oz. cloth is now 65½¢ a yd.

In Canton flannels, 36-in., 8 oz. cloth is up 1¢ a yd. to 36¢ a yd. The 12 oz. cloth is now 53½¢ a yd., up 1½¢.

Prices of fine yarn converts are up 1¢ a yd. New tag on 36-in., 3.60 fabric is 26½¢ a yd.

Parker Wilder & Co. has boosted a number of wool and rayon fabrics 5¢ a yd. It puts lightweight goods up to \$1.07½

a yd., and heavier weight blends up to \$1.47½ a yd.

Platinum—Baker & Co. has boosted its platinum quote by \$5 an oz. New bulk price is \$57 an oz. A Canadian strike and cutbacks in Russian platinum offerings are reported responsible for the increase.

Copper—Custom smelters boosted copper a ½¢ a lb. to 30½¢ a lb. Improved demand and a tight supply are reported as the cause.

Cobalt Chemicals—The drop in cobalt prices has caused a group of cobalt chemicals to drop from 5 to 15¢ a lb. New prices include: cobalt acetate—\$1.04 a lb., cobalt carbonate—\$1.45 a lb., cobalt chloride—99¢ a lb., cobalt hydrate—85¢ a lb., and cobalt sulfate—64¢ a lb. Quotes are for 100 lb. or more.



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How Century Electric ships motors to save you handling costs

Receiving motor shipments in the easiest form for production line use can cut handling costs. If your operation works best with each motor shipped individually, Century Electric will send them that way. But, if you need motors in large lots, pallet shipments may help you. Here's how Century Electric motor pallet packing saves you money, time and handling.

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Simpler warehousing — Pallets are easy to stack, handle and count in a warehouse. It's simple to check inventory and plan for floor load and warehouse capacity.

Improves production—One tray of motors can be used at a time. Motors can be moved right to

point of use and production workers don't have to lose valuable time handling materials. Disposable cartons are easily cleared away to make room for more materials.

Greater safety—Fewer injuries to workers and less damage to materials have resulted from the use of Century Electric pallet shipments. Production bottlenecks are minimized by the efficient flow of materials.

So whatever your shipping needs, Century Electric can supply the answer. This is just one more reason why you get *more* than a motor with Century Electric. For more information, contact your local Century Electric Sales Office or Authorized Distributor.

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58-12

California P.A.'s Propose Title Like 'C.P.A.' for Purchasing Executives

Oakland, Calif.—A title or degree similar to the C.P.A. title for accountants was proposed here last month as one method for adding additional professional recognition to the purchasing field.

The suggestion came from Arthur J. Melka, purchasing agent for Hydraulic Dredging Co., at the annual conference of the California State, County, and Municipal Purchasing Agents Association.

Melka urged members to work toward establishing a professional system to develop higher standards for purchasing. Melka also mentioned licensing P.A.'s but said it might lead to government intervention. He said a third system might be to establish a certification plan to clarify P.A.'s according to education, experience, and position by N.A.P.A. standards.

The California P.A.'s met here for three days. Resolutions adopted included one calling on tire manufacturers to set forth a uniform tire standard and label their tires accordingly.

A testing expert from the Southern Pacific Co. discussed various testing systems available to small firms without research and testing facilities of their own.

J. G. Maurer, assistant testing engineer for Southern Pacific, stressed reliance on specifications published by nationally rated organizations. Maurer said such widely accepted standards inform P.A.'s on how and where to

make tests and help specify to vendors exactly what is needed.

The convention was the largest in the group's 42-year history. Don E. Vanderzyl, P.A. for the city of Riverside, was named president for 1959. Other officers elected were Fred O. MacFarlane, Alameda County, first vice-president; Edwin W. Hyka, Long Beach, second vice president; and Paul Jones, Hayward Union High School District, secretary-treasurer.

Buffalo P.A.'s Celebrate 'Jack Rutherford Night'

Buffalo, N. Y.—Purchasing Agents Association of Buffalo honored a past president at its "Jack Rutherford Night" in January.

Rutherford, Buffalo P.A. for Aluminum Co. of America, above left, has been transferred to his firm's home office in Pittsburgh.

Lyman Davis, association president, center, presents Rutherford with an honorary membership. Russell Urich, toastmaster, right, holds association's going-away gift.



New easy way to order 8½x11 paper



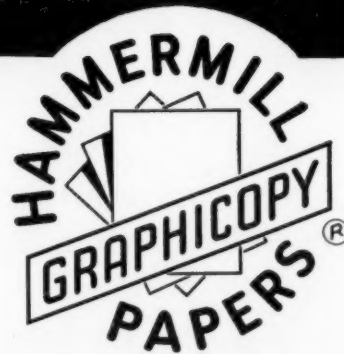
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TOOLS for financing plant and equipment acquisition

Here, in easy-to-read form, is what today's executive needs to know about using the new financing and marketing tools—leasebacks and equipment leasing—in solving problems of facilities acquisition, replacement, and marketing.

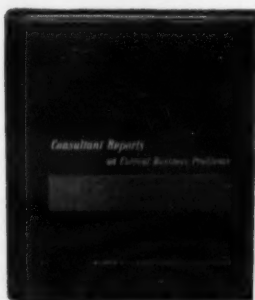
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This latest *Consultant Report* analyzes the pros and cons of using sale-leasebacks and equipment leasing; discusses the business, tax, legal, and accounting factors involved; and gives practical case histories. It stresses the intelligent use of long-term credit and also points out how leasing should be examined in relation to other financing alternatives.

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Where You Can Study Purchasing: Associations, Schools Hold Courses

New York—Numerous opportunities to sharpen purchasing and business savvy are scheduled during the next few months. Colleges, universities, P.A. associations, and organizations such as the American Management Association, offer a wide variety of educational sessions, conferences, seminars, and courses throughout the nation.

Michigan State University will sponsor its nationally recognized purchasing seminar at East Lansing, March 9-20. Specialists from business and members of the university faculty will cover fundamental and advanced purchasing concepts. The seminar is limited to 22 applicants who will live and study together.

Subjects included in the seminar are purchasing philosophy, organization, specifications, systems and procedures, standardization, quality control, inventory control, sources, and supplier relations.

Other subjects are business economics, price analysis, traffic, value analysis, analysis of business conditions, capital equipment, legal aspects, marketing trends, salesmanship, interviewing, purchasing strategy, negotiation, office management, purchasing research, and evaluation.

Small Discussion Groups

The annual all-day training conference in "Business Communications" sponsored by the Purchasing Agents Association of Ann Arbor, Mich., and the University of Michigan speech department is set for March 21. Small-group discussions have been scheduled on conference methods, brain-storming, public speaking, persuasion, and how to participate in radio and TV.

The A.M.A. has scheduled three programs: computers as a management tool, integrated materials management, and a pre-supervision service clinic.

Two-week periods have been set aside at the A.M.A. Academy, Saranac Lake, N. Y., for the pre-supervision service clinic. Sessions are scheduled March 30-April 10, May 18-29, and July 13-24.

Computers as Tools

Computers as a management tool will be discussed at the fifth annual special conference scheduled March 2-4 at the Statler-Hilton Hotel, N. Y. Applications to be described: Combustion Engineering's continuous inventory control system, Imperial Oil Ltd.'s simulation of strategy problems in marketing, and the First National Bank of Boston's electronic accounting setup.

A panel of consultants will review recent developments in EDP equipment. Another panel, representing computer users, will air pros and cons of buying, leasing, and sharing computers and utilizing service centers.

Integrated materials management will be examined at a special conference March 23-25 at the Statler-Hilton Hotel, N. Y.

Speakers will cover production forecasting, planning and control, purchasing, inventory control, materials handling, warehousing and shipping, and traffic and distribution.

Cost factors in transportation, warehousing, processing, and

purchased materials also will be analyzed. Specific problems include economic order, production lot quantities, and inventory levels; production leveling, costs of carrying inventory, set-ups, and stock-outs; value analysis; make-or-buy decisions; inventory classification; scientific determination of distribution locations; turnover; expediting; materials handling; transportation costs; and use of integrated data processing techniques.

P.A. President Amazed At Chattanooga Meeting

Chattanooga, Tenn. — Chattanooga P.A. President Tom Mastin, left, of M. M. Hedges Co., looks alarmed. His alarm can be blamed on humorist, H. Wayman Parker, center and radio sales executive, Walter Stamper of Station WAPO. Parker, representing Parke & Dohme Co., discussed "pink pills for pale people" at the association's January dinner meeting.



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A P.W. Profile

Bob Birchenall Describes Purchasing For Winter Olympics: 'Chance of a Lifetime'

"A chance of a lifetime." That's how Robert H. Birchenall describes his new job as director of purchasing for the 1960 Olympic Winter Games' Organizing Committee. Birchenall quit as purchasing agent for California Physicians' Service last autumn, after 11½ years on the job, in order to "branch out" into work which he felt would offer a greater challenge. He was accepted for the job the day after he was interviewed.

"The title, director of purchasing, is a misnomer. I'm more of a procurement man," Birchenall told P.W. "A lot of the stuff we need up at Squaw Valley can be borrowed or begged, rather than purchased."

A tremendous diversity of items must be procured—things like slalom flags,

sno-cats, numbers for contestants to wear, blade wax for snowplows, even a prize-fight bell to be used as a lap-counter. While the above-mentioned slalom flags were no problem to locate, Birchenall had to send to Japan for their bamboo poles. And the contestant numbers could not be found at "a reasonable price" anywhere in the United States; they were obtained in Australia.

One of the toughest parts of Birchenall's job is to locate items that don't quite exist. Their procurement involves production, as in the case of about eighty plastic balls (each with a number) to be drawn for determining sequence of contestants. Or a plastic score holder, which keeps score slips both dry and visible, and also provides room for pencils and

a color-coding device for the scoring process.

Thanks to the military support program voted by Congress last year, equipment can, theoretically at least, be obtained from various military branches. "But this can be cumbersome," says

Francisco, goes to Squaw Valley at least once a week in order to "visually grasp" the problems at the site. "This week I'm going up with a consulting engineer," he said, "to check on a winch problem. The idea is to obtain a winch which could let a sno-cat down a ski-jump on a cable, so it can shape the run. It's a sort of a Rube Goldberg idea we have in mind," he explained, and added that he had not yet found a winch with the needed specifications.

What sort of a background does this job require, where a man must be part engineer, part business man, part politico-public relations executive? Birchenall has a bit of all these fields tucked into his 38 years. He graduated from San Jose State College in 1941 majoring in business administration. While waiting to be drafted, he went to work in a Safeway store. By autumn of that year he had become acting manager. Nevertheless, on Dec. 5, 1941, he was sworn into the Naval Reserve, and three days later, ordered to active duty. He was appointed to the Maritime Cadet Academy, where he took engineering training and earned his ensign's rating. He served out the war as an engineering officer, and was discharged with the rank of lieutenant (jg).

After the war he worked as inventory surveyor with the U.S. Maritime Commission, a "nuts and bolts" position for which his prior engineering training had well prepared him. When federal budget cuts made that job shaky, Birchenall became a sales trainee with Zellerbach Paper Co. Finally, about 18 months later, he found himself with California's Physicians' Service.

Extremely active in civic affairs, Birchenall is a past director of the San Francisco Junior Chamber of Commerce. In 1950 he won the "Man of the Month" award (now known as the "Key Man" award) for his work as chairman of the first community coordinating committee for Mental Health Week. In 1953 he directed the secretariat for the Junior Chamber International Congress, held in San Francisco that year. He served as president of the Key Man Society of San Francisco in 1957.



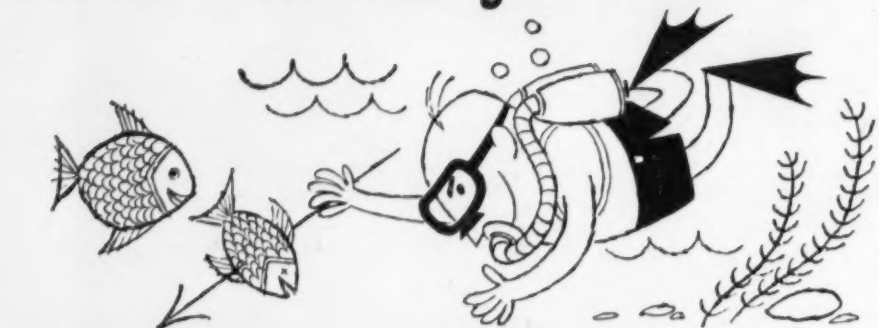
IN CALIFORNIA'S SQUAW VALLEY, site of the 8th Olympic Winter Games, Bob Birchenall, director of purchases, reflects happiness with his job as he poses before sign.

Birchenall, "because of red tape and slowness. I can miss a deadline waiting for them." Therefore he frequently turns to the California civil defense surplus program, which maintains warehouses at Sacramento, San Leandro, and Los Angeles. Birchenall is authorized to make necessary purchases at any of the warehouses at approximately 15¢ on the dollar.

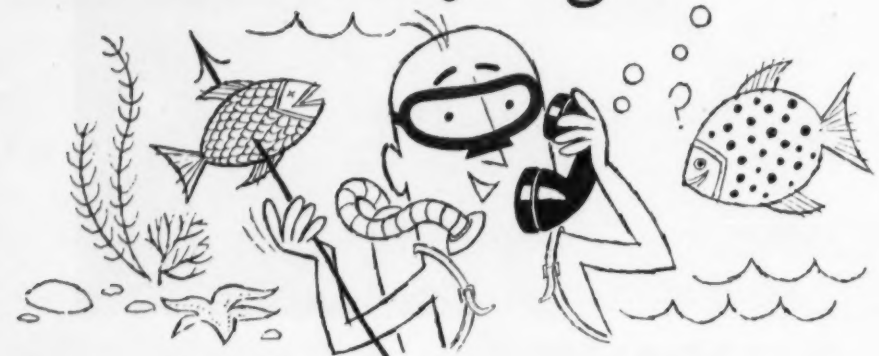
Why do the Olympics rate access to civil defense surplus? Because the Squaw Valley site, high in the Sierras near the Nevada line, about 200 miles from San Francisco, is designated a civil defense evacuation area. A third means of procurement is through the California state purchasing agency.

Birchenall, whose office is in San

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Use 'Common Sense' in Stocking Steel, U.S. Steel Official Advises St. Louis P.A.'s

St. Louis—A top steel industry official says purchasing executives should use more "common sense" with regard to steel inventories.

Underscoring the recent steel buying surge which in recent weeks has resulted in order allocations and lengthening lead times, U. S. Steel Corp. Vice President Marcus J. Aurelius urged purchasing executives to make a greater effort to level off the wide swings which mark steel buying and stockpiling.

Aurelius declared that the nation's economy would be aided "immeasurably" through stabilization of steel purchasing procedures. He said steel inventory ups-and-downs are hard not only on the national economy but the individual industries and companies involved.

The U. S. Steel executive devoted the major portion of his remarks at a Feb. 12 banquet meeting of St. Louis purchasing and other business executives to the problem of inventory cycles in steel buying.

"It has been the experience of the steel industry that, with rare exception, in every decline in steel output at least half of the drop has been attributable to the change from steel stockpiling to steel reduction. On the upturn, inventory building has been equally important."

He contended that such inventory extremes should take much of the blame for "instability in steel output and in over-all business activity."

Aurelius said he was aware that when income declines, a quick way to conserve cash is to cut back "twice as fast on

all of your purchasing commitments."

While "living off inventory can be a fairly cheap diet in the short run," Aurelius went on, "it is expensive when you add up the bill over the longer pull." He said shortages created by inadequate inventories can lose sales.

Referring to currently improving general economic conditions and especially to increasing steel orders, Aurelius declared that inadequate inventories at a time of rising production requirements are the "seed that results in subsequent overbuilding of stocks with its costly financial implication."

The U. S. Steel executive admitted it is a "very real problem" to determine the adequacy of current levels of steel inventories. But he urged new concentration on the problem and suggested consideration of the following points:

- Outlook for your own company. "If you are even mildly optimistic with regard to your company's future," he said, "don't risk letting your inventories get too low."

- In deciding how much inventory protection to expect from suppliers, set an equitable division between consumer and supplier for inventory carrying.

- Determine the cost of over-accumulating inventories during peak periods and drawing inventories down "too low" during depressed periods.

- National public policy becomes involved in the inventory picture because "adequate stocks of its materials are a significant contribution to our mobilization base."

This Changing Purchasing Profession . . .



FREDERICK J. THOMAS has joined Laminated Shim Co., Glenbrook, Conn., as purchasing agent. He had been with the purchasing department of Electrolux Corp., Old Greenwich, Conn., the past 16 years.



H. S. CRAWFORD has been promoted to purchasing agent for the Technical Products Division, Packard-Bell Electronics Corp., Los Angeles. Formerly purchasing agent for the Electronics and Air Arm Divisions of Westinghouse in Baltimore, Md., he joined Packard-Bell as a buyer in June, 1958.

Fred Hodge, purchasing agent for Portland General Electric Co., has been appointed chairman of the Commerce Club Committee of the Portland Chamber of Commerce, Portland, Ore.

Russell White has been promoted to assistant purchasing agent-controls for Hagan Chemical & Controls, Inc., Pittsburgh. Formerly mechanical equipment buyer, he had been coordinating outside purchasing activities for the regulation division since joining the firm in 1957.

Roy Hoffman succeeds **Ken Wickstrom** as purchasing agent

Obituaries

E. G. Rogers

Gouverneur, N. Y.—Everett G. Rogers, 75, former purchasing agent for International Talc Co., died Jan. 24. He served as purchasing agent for the firm from 1943 until his retirement in 1954.

J. F. Blazik

Miami, Okla.—John F. Blazik, 36, assistant purchasing agent for the B. F. Goodrich Co. in Miami, died Jan. 22.

He is survived by his father, one sister, and four brothers.

for **Jensen-Byrd Co.**, Spokane. **Wickstrom** left the firm to become northwest district manager for **H. M. Pforsich Co.** of San Francisco; he will work out of Seattle.

Robert J. Scaramuccia has been named director of purchasing for the **Town of Hempstead, N. Y.** He succeeds **Andrew J. Parise** who has been made executive assistant to the presiding supervisor.

Mrs. Elsie Entwistle, purchasing agent for **Lederle Laboratories, Division of American Cyanamid Co.**, Pearl River, N. Y., was featured in recent company house organ story on "Cyanamid Women." She was a "P.W. Profile" subject (Aug. 18, p. 15).

W. H. Hildebrand has been appointed assistant director of wood procurement for **Mead Corp.** Hildebrand, who has been

northern wood procurement manager the last five years, will continue to be based in Chillicothe.

R. G. Headley has been appointed purchasing agent for **Pako Corp.**, Minneapolis, and **J. F. Marty** has been named assistant purchasing agent.

Richard C. Nearing, formerly purchasing agent for **Gruen Industries, Inc.**, Electronics

Division, Cincinnati, and **Divco-Wayne Electronics**, has established a manufacturers' representative firm, **Nearing Associates**, with offices in Cincinnati.

William W. Scull, former purchasing executive, has been elected vice president-manufacturing, the **B. F. Goodrich Co.**, Akron, Ohio. He had been director of manufacturing services since 1954 and director of purchasing and traffic since 1952.

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Purchasing Week

McGraw-Hill's National Newspaper of Purchasing
330 West 42nd St., New York 36, N. Y.

Vol. 2, No. 8

February 23, 1959

Print Order This Issue 26,212

The Secret Ingredient in Success—Think

YOU can't argue with success. This is basic. And, if for no other reason, the advice given by six former purchasing men who have moved into top management posts is well worth studying and following. They give their formulas for advancement in a special P.W. report starting on page 12.

Each man gives sound advice. Any purchasing man who will take it is just automatically putting an important label on himself. He is classifying himself as having "top management potential."

There is one "little" catch to the advice. It is typical of successful executives not to even mention this one little factor. It is a factor that they take for granted; it is the foundation on which each and every formula rests. We're referring here to a very fundamental attribute, willingness to work.

Mankind is inherently lazy. Men get to the top because they overcome this inherent laziness. And the laziest part of every man's body is his mind. Many a man will labor hard and for long hours. But will he think? Few men will.

Purchasing is a profession that requires constant thinking. To do the right kind of a job, a purchasing man must keep abreast of everything that is happening in his industry. He must watch prices and price trends, new products, material developments, legislation, taxes, foreign events, and management techniques and methods. Furthermore, he must interpret them to the needs of his company as well as his own. To every facet of his job he must bring thinking.

But it is this ability to think, developed by constant practice and application, that makes the purchasing man the potential for top management. Mental work is his secret ingredient for his formula for success.

Good Timing Makes a Good P.A.

Now that spring is just around the corner, it's just a matter of days until you'll be digging out those golf clubs and trudging through the muddy fairways. You'll also be hearing a great deal about your "timing." Those drives will be slicing a bit, or maybe they'll be dropping at the 150 to 175-yd. mark instead of bouncing out to that 200 plus market you'll be reaching when your timing improves.

This matter of timing is not limited to sports. You run into it every day in business. An order placed at the right time gets delivery when you need it—not too early nor too late—and at the right price. A report submitted at just the right time gets action—probably favorable action.

Study your timing. Give your recommendations, suggestions, and ideas a chance. Submit them when the climate is favorable.

And how do you know when the propitious time is here? That's easy. Keep abreast of happenings in your field, in the field of purchasing, and in any and every field that has the remotest connection with your business. In brief, be interested in things and develop the knack of translating a thought or an idea to your particular problems.

You'll find your timing will improve.

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Your Follow-Up File

Keep Advised on Inflation

Alliance, Ohio

May we add our "Amen" to the letter by Jack B. Knouse, assistant purchasing agent, Ingersoll Rand Co. ("Sees Threat in Inflation," Feb. 2, p.10); just hope you don't wake up some morning and find your \$20 bills worth \$10.

Greatly enjoy PURCHASING WEEK but do think your readers should be fully advised on inflation—it is really with us.

R. H. Cost

Assistant Purchasing Agent
Transue & Williams
Steel Forging Corp.

Considers Test an Insult

Pittsburgh, Pa.

In your Feb. 9 issue, ten situations were presented which, if answered correctly, classified the individual as a purchasing executive ("Are You a Purchasing Agent? Just a Potential One? Or Do you Need More Seasoning?," p. 18).

I consider this test to be an insult to the intelligence of any male purchasing personnel. If I had my personnel take this test, I would rate their answers as follows:

100 . . . You are using common sense in doing your job.

80-90 . . . You would make a better clerk than an assistant buyer.

Under 80 . . . You are next on my list.

James G. Schenck

Purchasing Agent
Nuclear Core Department
Bettis Atomic Power Division
Westinghouse Electric Corp.

• This should have been presented as a review of purchasing situations, not as a quiz. The article was calculated largely as a review for buyers and assistants interested in their possible capacities to progress and as a fundamental indication of required seasoning if they missed any answer.

Time Is of the Essence

Brooklyn, N. Y.

Re "This Week's Commodity Prices," I would like to suggest that when there is a price change that this change be highlighted by your either using color, a reverse plate or bold letter type.

Stanley Elmer

Purchasing Agent
Columbia Cable & Electric Corp.

• Thanks for the suggestion. Many of our latest prices are received just at press time and any changes in presentation would delay us in going to press.

Investigating This Equipment

Summit, N. J.

You published an article entitled, "We'll Eat from Vending Machines" (Nov. 10, p. 1).

It mentions three companies in the automatic food vending field and also refers to a meeting of the National Automatic Merchandising Associa-

tion at which vending machine manufacturers were present.

Do you have a list of the major manufacturers of food vending machines? If not, perhaps you could direct us to the proper person in the National Automatic Merchandising Association who might have such information. We are starting to investigate such equipment in our plant.

A. W. Custer

Manager
Purchasing Division
Ciba Pharmaceutical Products Inc.

• Clinton S. Darling is executive director of the National Automatic Merchandising Association, 7 South Dearborn St., Chicago, Ill.

Wants Purchasing Handbook

Eau Gallie, Fla.

"Test Your Product Knowledge" (Dec. 22, p. 18), question 10 concerns a handbook for purchasing agents. Would you please advise me where I can secure one and the price.

William F. Briggs

• Copies of "Purchasing Handbook," edited by George W. Aljian, are available from McGraw-Hill Book Co., 330 West 42nd St., New York 36, N. Y., at \$15 each.

Readers Request Reprints

Scranton, Pa.

May I have a reprint of the article on E.O.Q. which appeared in your Dec. 1 issue ("E.O.Q. Survey Reveals P.A.'s Eager to Learn," p. 1). In our purchasing agent course we use several inventory control texts which contain material on this formula.

Thomas W. Gerrity

Director
Schools of Business
International Correspondence Schools

New Brunswick, N. J.

We are interested in the value of analysis report, "Experts Aid Purchasing Men by Answering Pertinent Questions on Value Analysis . . ." (p. 12), and article ". . . But Fred Sherwin's Answer Is That Value Analysis Enables P.A.'s to Increase Savings" (p. 14) in your Jan. 26 issue. We would like to have 13 copies.

J. M. Kinney

General Purchasing Agent
Chicopee Mfg. Corp.

Philadelphia, Pa.

You had an article showing comparison of owning or leasing trucks in your Jan. 20, 1958 issue, "Leasing Trucks Frees Your Working Capital" (p. 16). Would you send me a reprint?

N. N. Cherry

Assistant Purchasing Agent
Eddystone Division
Baldwin-Lima-Hamilton Corp.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

PURCHASING WEEK Asks You . . .

What purchasing method or tool do you feel will help you most to contribute to your company's successful operation this year?



H. R. Taylor
International Business Machines Corp., Electric Typewriter Division, Lexington, Ky.

"We intend to devote more attention to the vendor certification and inventory control aspects of our business than we have in the past. These two areas have a very considerable effect on our costs from the standpoints of money involved, materials handling, and warehousing. Anything we can do to improve our position with regard to these items will contribute substantially to the success of our company's operation this year."

G. H. Noble
Dewey & Almy Chemical Co.,
Division of W. R. Grace & Co.
Cambridge, Mass.

"We have set up a plant purchasing department in our factory office, near our production scheduling and control operations. This proximity enables us to participate in the weekly scheduling and monthly forecasting meetings. With inventory figures readily available, we can process our purchasing requirements more efficiently with a minimum of paper work. It also enables us to keep our dollar value of inventories at a minimum. Our experience to date has shown some dramatic results."



T. T. Grimshaw
Southern California Gas Co., Los Angeles

"No tool is sharper than clear thinking about the placement of decision-making. Many purchasing decisions properly lie in the purchasing department at the machine, clerical, buyer, supervisory, or management levels. Once properly placed, disaster awaits the superior who usurps those allocated to a subordinate or permits the reverse to occur. When intangibles are involved, purchasing decisions lie with the activity receiving the intangible. Purchasing's performance in this field is certain to be as amateurish as that of operating people who usurp purchasing's role in supplier negotiations."



I. P. Scott
Union Carbide Corp., New York

"Value analysis is one of the more important tools available. Three bids for a piece of capital equipment or a major raw material are not sufficient and do not necessarily represent the best price. It is important for the purchasing agent to know the value of the equipment or raw material in today's market based on reasonable costs of production, overhead burdens, and profit. With this information he can then determine the right price for the item and if necessary negotiate until this object is satisfied. The intelligent application of value analysis will permit maximum purchasing contributions."



S. D. Jamieson
Schramm, Inc., West Chester, Pa.

"It will be the method used by purchasing this coming year to enable all companies to operate successfully. Purchasing will be confronted with annoying grievances brought on by strikes by various unions. For that reason, it will be very important that all buyers have at least two sources of supply for the same material, if possible, so that materials are available for production lines. It will also mean inventories will increase in the first half of the year to avoid shutdowns, with purchasing tapering off in the third and fourth quarters, unless there is a continued upsurge in business."



R. M. Hayward, Jr.
Merck & Co., Inc., Chemical Division
Rahway, N. J.

"Management of purchasing progress by objective will be an invaluable aid in 1959. Within a framework of annual goals, our purchasing agents establish developmental objectives they plan to accomplish each month—projects which should result in our obtaining better than normal price, quality, or delivery. The most common goal is cost reduction but such intangibles as second source development or assessment of a supplier's technical assistance are included. The secret of success lies in checking each project every month to insure progress."



Meetings You May Want to Attend

First Listing

National Association of Corrosion Engineers—1959 Corrosion Show and 15th Annual Conference, Chicago, March 16-20.

Previously Listed

FEBRUARY

National Canners Association and Canning Machinery and Suppliers Association—Joint Annual Convention and Exposition, Conrad Hilton Hotel, Chicago, Feb. 20-23.

MARCH

The Lighting, Lamps and Electrical Manufacturers Salesmen's Association—2nd National Lighting Exposition, Coliseum, New York, March 1-4.

American Society of Mechanical Engineers—Gas Turbine Power Conference and Exhibit, Netherlands-Hilton Hotel, Cincinnati, March 1-5.

Los Angeles Chamber of Commerce—2nd Western Space Age Conference and Exhibit, Great Western Exhibit Center, Los Angeles, March 5-7.

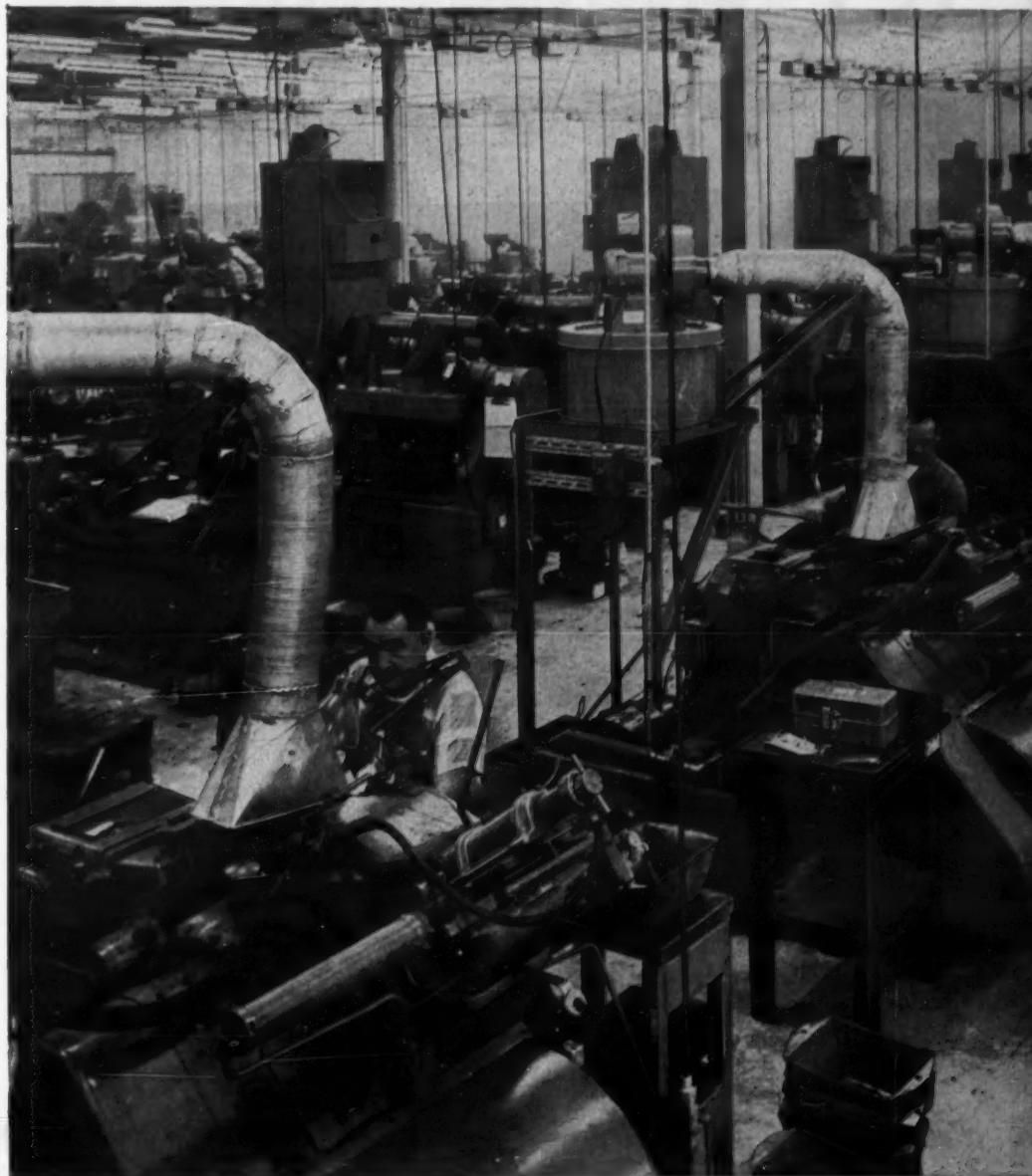
American Management Association—Workshop Seminar, Organization and Management of the Purchasing Department, La Salle Hotel, Chicago, March 16-18.

American Society for Metals—11th Western Metal Exposition and Congress, Pan-Pacific Auditorium and Ambassador Hotel, Los Angeles, March 16-20.

Purchasing Agents Association of Indianapolis—1959 Indiana Industrial Show, Manufacturers Building, State Fair Ground, Indianapolis, March 18-20.

APRIL

1959 Nuclear Congress—Public Auditorium, Cleveland, April 5-10.



NEW This is the old grind at ALLEN

A quarter of a million square feet of space in the great new Allen plant is devoted to precision fasteners—and much of it houses batteries of the latest, high-speed automatic centerless grinding equipment. Here you see a close-up of the grinding section set up to produce dowel pins at the rate of one a second per machine.

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"Be a part of the team"—Howard J. Fryar, vice president—manufacturing and engineering, Coleman Co.



"Make every effort to demonstrate interest in company-wide activities"—E. Boykin Hartley, v.p.—traffic, Railway Express.



"Compete with management departments"—Howard McCray, chairman, Texas Zinc.

6 Executives Look at Purchasing and Tell You

Here, six top executives take a hard look at purchasing and purchasing agents. These men are well qualified for the assignment. All have had experience in purchasing.

These executives represent companies, through parent and subsidiary affiliations, with recent annual income totaling over \$4½ billion. All these men have risen steadily in highly competitive industries through sheer ability and drive.

These men are objectively answering questions posed to them by

PURCHASING WEEK. In no case is there any direct to purchasing departments in their own companies. Purchasing departments of the companies represented are efficient, staffed by men of management potential, and their duties completely to the satisfaction of top management. Executives answering our questions are calling on their experience in giving their answers.

Backgrounds of these men include varied experience

The Questions:

What is the best way for purchasing agents to gain management recognition for themselves and their function?

Mr. Fryar of Coleman Co. advises:

Be a part of the "team" but learn to think independently as well and be prepared to express constructive ideas when opportunities arise.

Mr. Hartley of Railway Express advises:

Purchasing agents should make every effort to demonstrate their interest in company-wide activities, participate to the fullest extent in committee work, take advantage of company-sponsored education and training programs, and be active to the extent feasible in outside seminars and courses with a view to broadening themselves and understanding other viewpoints.

Mr. McCray of Texas Zinc advises:

Forget the desire to gain recognition and lose themselves to do a job for management. Management hasn't time to do.

What is the present "lack" among purchasing agents that prevents more of them from moving up to top management?

While purchasing agents have responsibility for managing money and materials, they too often lack experience in managing people.

It is my observation that purchasing men tend to be somewhat narrow in viewpoint, often unwilling to embrace new ways of doing things and new philosophies. Purchasing agents should strive to acquire the reputation of having company-wide interest and viewpoint and of being open-minded.

They look too closely to their own department and don't fit it into broad company fishness" or "prerogative"

How can a purchasing agent prepare himself, personally and vocationally, for top management opportunities?

Interest in and study of all areas of the business which contribute to its success or failure.

As indicated in the answers to the two questions just preceding, he should take advantage of every opportunity for further education and training as well as participate actively in company-broad affairs, outside seminars, and association work.

Compete with management departments in building an organization. Managing is organizing and being expert in procurement.

Is any trend developing in purchasing that will result in greater future opportunities?

Generally speaking, yes, but the major gains will be made on an individual merit basis rather than by attempting to elevate the purchasing department in the eyes of top management.

I believe there is a trend developing in industry to make the purchasing man a better-rounded individual. This is being accomplished by exposure to education and training opportunities inside and outside of companies as well as association memberships. There is also an important trend through job rotation within a company to see that the purchasing man is broadened as to the company's activities and interests.

Yes. It offers an excellent opportunity for corporate operation.

Will more purchasing agents than in the past be progressing to top management positions? Why or why not?

Possibly, but to no marked degree. It depends on the individual, his opportunities, and the way he takes advantage of them.

Increased educational opportunities and exposure to the thinking of other company departments and that of other industries are helping to qualify the purchasing man for broader responsibilities in top management positions. He has to aid and abet this movement himself by enthusiastic interest and participation in more than just purchasing assignments.

Management is after him wherever it is.

What would you like to add on P.A.s' opportunities and challenges in planning for, or advancing to, top management positions?

There is no "textbook" or infallible guide to success nor will there ever be one. In the final analysis, the individual must make his own "breaks" or be smart enough to take advantage of opportunities as they occur. In so doing, he must prove he has real administrative ability including ability to handle people.

I have a feeling that a purchasing agent is his own worst enemy. He is likely to become submerged in the detail of procedures as they have been rather than as they might well and should be. Further, he runs the risk of becoming ingrown, and it takes real effort to reach out and embrace and try to understand the thinking of those not in purchasing work. Most purchasing men could well afford to earn the reputation for being open-minded and welcoming new ideas that can be applied to his own work. As stated before, a broad company viewpoint is essential to the advancement of the purchasing man.

Serve.



of other de-
Cray, board
ls Corp.



"Forecast price changes promptly"—C. H. McGill, senior vice president, New Haven Railroad.



"Make important contributions to over-all management problems"—J. V. Naish, president, Convair, General Dynamics.



"Get involved in activities outside of purchasing"—N. H. Reese, vice president, Bell & Howell Phillipsburg Co.

How to Become Part of Top Management

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They will find it

general laborer to finance duties. Additional background in sales, personnel, engineering, and accounting is noted, as well as in purchasing.

Worth noting is that all the men feel purchasing experience has been an asset to them as top executives. On this point, J. V. Naish, Convair president, states, "Purchasing experience is a tremendous asset to an executive for a variety of reasons. One of the most important reasons is the fact that in handling purchase orders the alert P.A. is enabled to observe management theories in hundreds of companies. In this way he

can analyze why the successful sub-contractors are successful."

On personal factors attributable to their success, these executives invariably answer, "ability to get along with people."

If these executives have a single crystal-clear word of advice on getting ahead, it may be summed up in a comment by H. S. McCray, board chairman, Texas-Zinc Minerals Corp., "get in the circle by ability. Be so good that management will say: 'let's get the purchasing department expert into the act before we start.'"

Mr. McGill of New Haven Railroad advises:

Participate at every opportunity in meetings with other departments, endeavor to discuss with department heads their problems, and assist with information on material costs, delivery time, and proposed substitutes. Also cooperate with personnel using materials as to quality and substitutes. Forecast price changes promptly, and discuss their effects with all concerned.

My discussions with some purchasing agents have shown they lack over-all knowledge of other departments so that in the final analysis they do not know the requirements for the finished products their company is producing.

A purchasing agent can prepare for top management recognition by acquiring all possible knowledge of the workings of the entire organization. This is not easy and requires time, discussions with fellow employees, contacts with other department heads, observation of procedures, and questions on performance.

The big four involved in industry today are wages, materials, transportation, and taxes. The future for purchasing agents is certainly a definite factor in costs.

In the past purchasing agents were considered in most industries as staff officers. There has been a change, the P.A. has become a line officer, reporting to a staff officer such as general manager, treasurer, or a vice president having such duties. I believe this is due to a P.A.'s knowledge being limited to that particular phase of a company's activities, and, in line with economy, the position is placed under an officer having other duties.

Total cost of materials is a vital consideration to all industries; therefore the purchasing agent has a very good opportunity to advance to top management positions. He has contacts with all departments and an opportunity to learn more about over-all company management than most other officers. I do not believe this opportunity is fully appreciated, but, if analyzed, and a purchasing agent is willing to learn from others their problems, cooperate and listen to salesmen, fellow employees, to like people and treat others as he wishes to be treated himself, he has an excellent chance to advance to top management.

Mr. Naish of Convair advises:

First, make important contributions to the over-all management problems by doing a top flight job in that given area and then, very importantly, seeing to it that the communication of this success is discreetly but forcefully effective.

Probably a myopic viewpoint which looks at purchasing as an end in itself rather than an important segment of over-all company activity. Recognition of this importance would frequently change decisions which are made if only the purchasing viewpoint is considered.

By becoming outstanding in the management of purchasing because the science of management is universal. Management experience gained in purchasing will be applicable to higher management responsibilities. Certainly from a vocational aspect one of the first orders of business should be to learn all there is to know about the business in which his company is competing.

The one trend in purchasing that should result in greater future opportunities is the same trend that has been going on for the last 20 years. The trend referred to is the fierce competitive aspect of American business which makes all segments of cost important. Further, the scientific progress in most fields necessitates greater technical knowledge in the fields of material available.

No comment.

There are unquestionably increasing opportunities in top management, one of which is the trend toward larger centralized corporations and the consequent numerical increase in top management. These vacancies will continue to be filled by individuals from various segments of the company. I have found that the most essential ingredient for moving to top management is a persistent and strong desire on the part of the individual to achieve a position in top management. If the will is sufficiently strong and the latent ability of the individual is adequate, then this same determination will indicate to the individual ways and means of making his talent and availability known to management.

Mr. Reese of Bell & Howell advises:

Purchasing agents must convince management that purchasing offers one of the greater opportunities, if not the greatest, to make profit. It takes many dollars of sales to equal the dollar of profit which can be easily "earned" through good purchasing.

Purchasing agents must divorce themselves from detail so that they are "available" when the opportunity is at hand. Too often the P.A. has not done a "good job of delegating" and is burdened with routine and detail that an assistant or buyer should handle.

Get involved in activities outside of purchasing, never miss an opportunity to volunteer services of purchasing department to solve problems, and keep informed on all areas and problems of the business.

I feel that purchasing departments today are providing a more sophisticated service than in the past; and if this trend of improvement continues, there will also be greater future advancement opportunities for purchasing people.

Yes, I do. I feel purchasing is doing a better job of convincing top management that purchasing is of great importance to any firm and in so doing top management people are becoming aware of the executive and administrative potential existing in purchasing personnel. The job of keeping top management informed as to the importance of purchasing is a never-ending one, and the problem is one for purchasing people to solve.

More purchasing people should recognize that purchasing generally is a service to all other company activity—but a service that is of very great importance—and meanwhile any purchasing department must be run within prescribed policies, routines, and controls. These policies, routines, and controls must be flexible and changed as necessary to provide the greatest possible service quickly and efficiently. Frequently purchasing is bypassed because it is easier to go around instead of through purchasing. If all purchasing people will believe that purchasing is a "profit making activity" and convince others of this, then the opportunity for advancing to top management positions will be unlimited.

Congress Probes Defense Program Policy; Procurement Methods to Get Close Scrutiny

Fire Will Center on Pentagon's Buying Policies; Contracts Are Negotiated Without Bids, Big not Small Companies Getting Them

One place where congressional investigators are taking a direct look at purchasing in action is military procurement. At least four committees plan to put the Pentagon on the spot in checkups on how the biggest buyer of them all conducts its affairs. This article, one of a Purchasing Week series on congressional inquiries affecting business, discusses the goals of the principal investigating groups.

The Editor.

(Continued from page 1)
ment dollar. Smaller firms took up 17.1% of military buying in fiscal 1958, compared to 19.8% the year before.

Behind these issues is a basic conflict in defense procurement

policy: 1. The objective of reducing lead times on weapon development by concentrating project responsibilities in one "weapon system" contractor, vs. 2. Washington's traditional intent to spread military buying

among as many suppliers as possible.

Several congressional committees are laying out plans to study the issues. The House Armed Services Investigating Subcommittee, headed by Rep. Edward F. Hebert (D., La.), will probe the trend toward weapon system management and the growing volume of negotiated procurement.

The Senate and House Small Business Committees have plans in the works for new studies into the general question of why smaller firms fail to get more defense business.

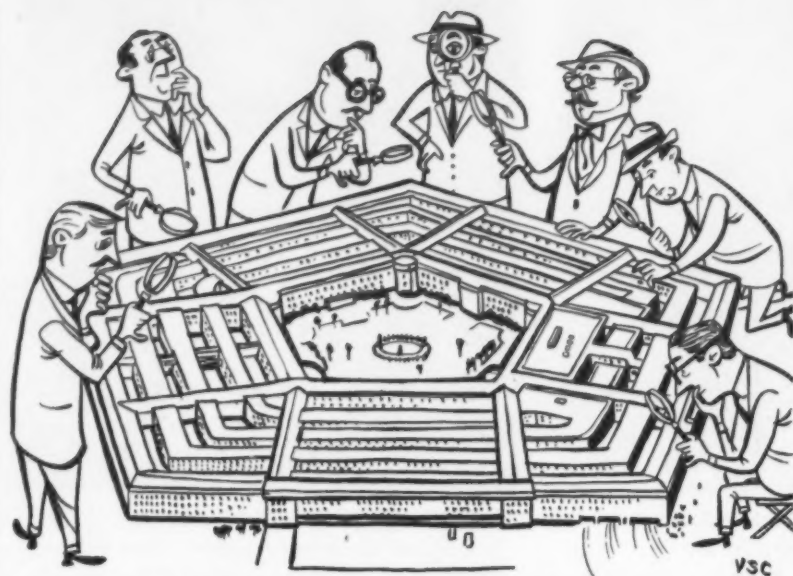
The House Military Operations Subcommittee, under Rep. Chet Holifield (D., Cal.), has already started a broad-gauged inquiry into the organization and management of the multi-billion dollar ballistic missile program.

The Holifield investigation was prompted by an Air Force inspector-general's secret report which surveyed the operation of the program. Part of this report was made public last year (P.W., Nov. 24, p. 1).

Among other things, the report severely criticized the purchasing activities of ballistic missile contractors. It singled out Martin, Convair, and Aerojet-General for so-called "deficiencies in purchasing." It said the contractors have downgraded the corporate purchasing function, resulting in faulty procurement practices.

The Joint Economic Committee also has gotten into the procurement investigating act. Sen. Joseph C. O'Mahoney (D., Wyo.), a member of the committee, criticizes the increasing volume of negotiated procurement, charges that most arms prices are based on contractors' rough cost estimates rather than on competitive bids. He wants the Pentagon to "find a better way" to do its buying.

The most important proposal for a change comes from Sen. Leverett Saltonstall (R., Mass.). He's pushing a measure which would make it simpler for the military to award negotiated contracts and to use weapon system management for major projects. To take the edge off obvious small business objections to such provision, Saltonstall's



It's a big building, but Congress will put its glasses on it.

bill also provides for tighter requirements on the award of subcontracts to small producers.

The bill faces tough sledding. First off, there's strong opposition from the House Armed Services Committee. The committee's traditional clamor—as reflected in Hebert's upcoming investigations—is for more formal advertising as a means of spreading military contracts.

Saltonstall's bill would have to be approved by the Armed Services Committees of both houses. So far neither committee has planned hearings on the measure.

Pentagon Yet to Recommend

The Pentagon has yet to make an official recommendation on Saltonstall's proposals. Defense officials are divided on its provisions. On one hand they welcome the greater flexibility in military buying procedures the bill would allow. But they're also squeamish about the bill's stress on greater concentration of project responsibilities. Some officials say the bill's small business provisions are inconsistent with the intent to increase the use of weapon system management.

At this point, Washington

experts are unsure exactly how the congressional probes will affect procurement policy. But one thing is sure: A major forum is being set up for all sides to air their gripes over existing policy and to push ideas for change.

Aside from the procurement issue, running congressional investigations on the state of U. S. military preparedness are whipping up an atmosphere in which more funds can be tacked on to the defense budget.

Investigations Under Way

Three major investigations of missile and space projects are under way—by the Senate Military Preparedness Subcommittee and Space Committee, both under Majority Leader Lyndon Johnson of Texas; the House Space Committee, under Rep. Overton Brooks (D., La.); and the House Armed Services Committee, under Rep. Carl Vinson (D., Ga.).

The investigations are being made against the background of serious Democratic charges that 1. The Soviet Union is ahead of the U. S. in missile production and space exploration, and 2. The Administration's budget for fiscal 1960 is inadequate to overcome the Russian lead.

What's
your
answer?

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CABLE ASSEMBLIES
...AND WHOSE?**

MAKE?
Making your own cable assemblies from wire rope and various fittings involves time and hand labor plus materials. Uniformity and safety factors may be reduced.

BUY?
When you buy "factory-finished" cable assemblies, you can assign a part number and always be assured of a neat, uniform machine part with maximum safety. Your costs are definitely established by a firm quotation from specialists.

WHOSE?
Today there are many types to meet mechanical control needs. Investigate Hi-Quality Macwhyte "Safe-Lock" cable assemblies — let us quote on your requirements.

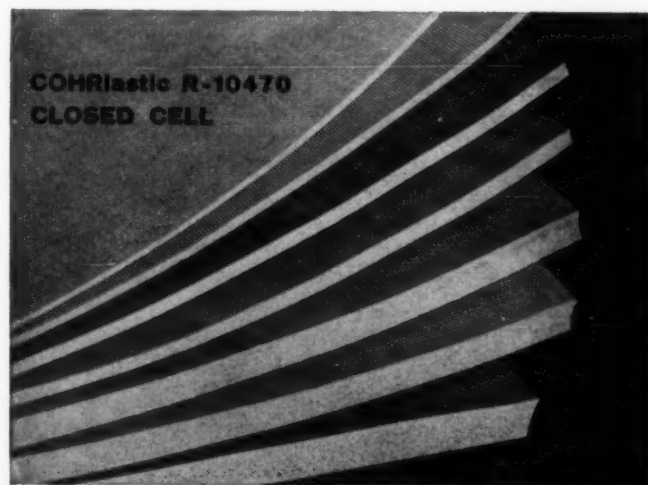
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G. E. Gears for Growth In Commercial Atomics

New York—General Electric is organizing to be ready for an anticipated growth in commercial atomic energy business.

G.E. has assigned Francis K. McCune, its top atomic expert as vice president in charge of atomic business development in marketing services. McCune has been vice president and general manager of G.E.'s Atomic Products Division, and his responsibilities there will be taken over by Dr. Lyman R. Fink, who has been general manager of the G.E. X-ray department in Milwaukee will direct the atomic marketing services from Schenectady, N. Y.



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CHR CONNECTICUT HARD RUBBER

Main Office: New Haven 9, Connecticut

Akron P.A.'s Map Out Education Conference

Akron, Ohio — Purchasing Agents Association of Akron's planning committee maps out the fourth annual one-day educational conference scheduled March 7 at the Student Union Lounge, University of Akron.

The association and university college of business administration are sponsoring the program which will cover problems facing a purchasing agent in an inflationary era.

Planners, seated, left, are Dallas Hange, B. F. Goodrich Co.; L. E. Peterson, Bellows

Electric Co.; L. M. Pettit, Kent Machine Co.; and A. L. Graversmuhl, Godyear Aircraft Corp. Standing, left, are R. F. Graff, Karg Machine Products, Inc.; J. L. Hyatt, Bearing Distributors, Inc.; D. P. Wolcott, B. F. Goodrich Co.; and C. W. MacCready, Ohio Edison Co.

Wolcott will direct a panel discussion, "Offsetting Inflationary Cost Increases." E. M. Brown, Firestone Products Co., will preside at the second discussion, "Purchasing Methods and Procedures." Dr. W. W. Leigh, dean of the college, will cover "New Dimensions in the Purchasing Function."



Bi-Partisan Committee Avoids Furniture Hassle

Bakersfield, Calif. — Kern County P.A. Ralph Smith utilized a "bi-partisan" committee to avoid controversy in purchasing furniture for the county's new multi-million-dollar courts and administration building.

Smith had to standardize purchases as much as possible and, at the same time, buy furniture which would please hundreds of different people. He persuaded county supervisors to appoint a "furniture committee" to choose styles and makes.

County functionaries, delighted to serve on the committee, have taken over the highly aesthetic task of pleasing all workers in the Civic Center with one style of furniture.

G.S.A. Regulations Aid Small Firms' Contracts

Washington — The General Services Administration has drawn up two new regulations designed to aid small businesses in getting federal contracts.

Franklin Floete, G.S.A. administrator, said the first regulation establishes a uniform, Government-wide procedure for setting aside government awards exclusively for small concerns.

The second, he said, sets up rules providing for uniform treatment by all government agencies of late bids. Bidders whose proposals arrive late will be given an opportunity to establish that the bids were properly mailed with sufficient time allowed for receipt by the deadlines.

Cut Business Tax

Juneau, Alaska — The first bill introduced in the House of the Alaska state legislature would repeal the unpopular business license tax on gross receipts.

The measure was sponsored by Rep. Richard Greuel, who said the tax worked a hardship on business firms that operate on a high volume and low profit margin.

The levy carries a \$25 minimum license fee plus 1/2 of 1% tax on gross receipts over \$20,000 per year and below \$100,000. Firms with gross receipts over \$100,000 per year pay 1/4 of 1%.

Albany 1, N. Y.
Eastern Metals Warehouse, Inc.
ALbany 89-3281

Birmingham 5, Ala.
Allegheny Ludlum Steel Corp.
FAirfax 2-0548

Buffalo 7, N. Y.
Brace-Mueller-Huntley, Inc.
VICTORIA 8700

Cambridge 38, Mass.
Achor Steel Company
HAncock 6-9592

Charlotte 1, N. C.
Edgcomb Steel Company
FRanklin 5-3361

Chicago 32, Ill.
Allegheny Ludlum Steel Corp.
LAfayette 3-8650

Chicago 32, Ill.
U. S. Steel Supply Div.
BRunswick 8-2000

Cincinnati 1, Ohio
Allied Abrasives & Tools, Inc.
MULberry 1-2222

Cleveland 3, Ohio
Allegheny Ludlum Steel Corp.
UTah 1-0500

Dallas 22, Texas
Peery Steel Company
FEderal 1-4354

Dayton 4, Ohio
Allegheny Ludlum Steel Corp.
BAldwin 2-8386

Denver 16, Colorado
Union Supply Co.
AMhurst 6-2292

Detroit 20, Mich.
Allegheny Ludlum Steel Corp.
JOrdan 4-6900

Flint 1, Mich.
Hall Steel Co.
CEdar 4-6672

Grand Rapids 8, Mich.
Good Steel Service, Inc.
CHerry 1-4425

Hartford, Conn.
L. L. Ensworth & Son, Inc.
CHapel 9-7791

Houston 1, Texas
Peden Iron & Steel Co.
CApital 2-2121

Indianapolis 1, Ind.
Allegheny Ludlum Steel Corp.
MEIrose 2-6521-2-3

Los Angeles 22, Calif.
Allegheny Ludlum Steel Corp.
RAYmond 3-1181

Milwaukee 12, Wisc.
Allegheny Ludlum Steel Corp.
WOodruff 4-3500

Minneapolis 10, Minn.
Junger Steel & Supply Co.
WAlnut 7-8080

New York 17, N. Y.
Allegheny Ludlum Steel Corp.
MUrrayhill 2-0369

Philadelphia 34, Pa.
Edgcomb Steel Co.
GARfield 3-6300

Pittsburgh 30, Pa.
U. S. Steel Supply Div.
FAirfax 2-4200

Rochester 1, N. Y.
Brace-Mueller-Huntley, Inc.
CONgress 6-6560

San Francisco 7, Calif.
Allegheny Ludlum Steel Corp.
GARfield 1-1804

Bridgeport & Shelton, Conn.
Trico Manufacturing Co.
DRexel 8-2633 & REgent 5-3306

St. Louis 8, Mo.
Allegheny Ludlum Steel Corp.
JEfferson 3-6700

Springfield 1, Mass.
Allegheny Ludlum Steel Corp.
REpublic 4-4996

Syracuse 1, N. Y.
Brace-Mueller-Huntley, Inc.
HOward 3-3341

Worcester 8, Mass.
Pratt and Inman
PLEasant 6-9592

York, Pa.
Edgcomb Steel Co.
47-1411

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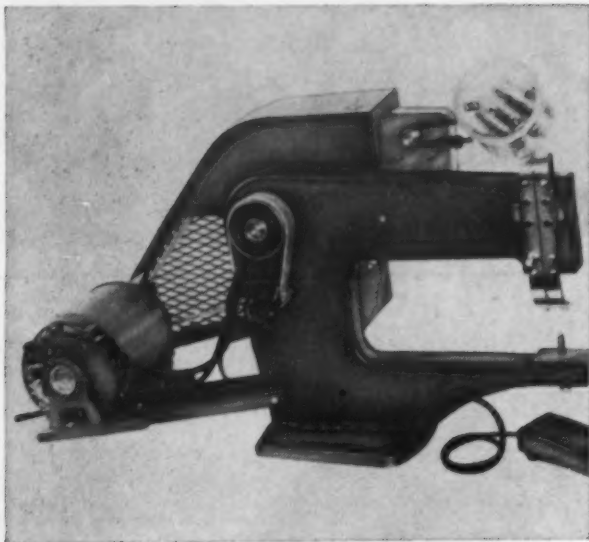
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ALLEGHENY LUDLUM STEEL CORPORATION, Oliver Building, Pittsburgh 22, Pa. Address Dept. PW-14.

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Eyeletting Machine

Electrically Operated

Model 103 is a heavy-duty, high-speed production machine for fabrication, fastening, and assembly of electronic components. It is equipped with a 1,200 rpm., 1/4 hp., 110 v. ac. standard motor. Machine will feed and set over 30 eyelets per min. It weighs about 75 lb.

Price: \$390 (complete). Delivery: about 2 wk.

Eyelet Tool Co., Inc., 236A Broadway, Cambridge, Mass (P.W., 2/23/59)



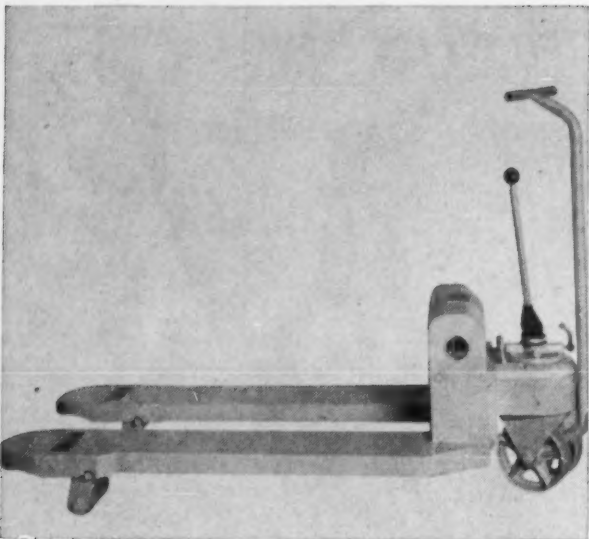
Microfilm Reader

For Engineering Drawings

Designer 184 microfilm reader has a screen size slightly larger than 18x24 in. Optical system covers the entire microfilm frame. Designer 184, with a nominal magnification of 15 times, enlarges A, B, and C drawing sizes filmed at 16X reduction to almost full size. Larger drawings, filmed at 30X reduction, are enlarged to half size. Card and film are held in place by a plastic holder for punch cards and 3x5 in. cards.

Price: \$735; \$85 (accessory reader stand). Delivery: immediate.

Filmsort Co., Division of Miehle-Goss-Dexter, Inc., Pearl River, N. Y. (P.W., 2/23/59)



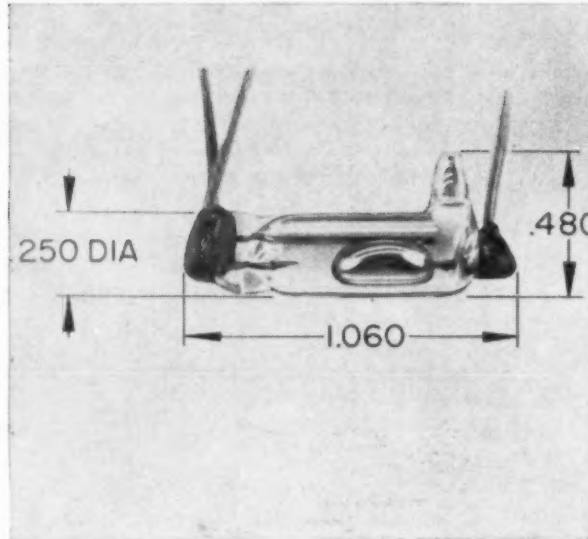
Pallet Lift Truck

Polyurethane Wheels

Model HP-25 double-faced pallet lift truck has a 2,500-lb. capacity. Solid polyurethane rear wheels are highly resistant to abrasives, have load capacities of steel wheels, and are impervious to alkalines. Wheels cannot split or splinter.

Price: \$390. Delivery: immediate.

Special Products Division, Colson Corp., Somerville, Mass. (P.W., 2/23/59)



Mercury Switch

Ultra Sensitive

Low-angle switch AS603 A-1 meets the precise requirements of vertical gyros and stable platforms. Hermetic sealing of glass tube prevents dust, dirt, and corrosive vapors from fouling contacts. It is electrically rated for 0.255 amp., max., 30 v. ac., 400 cps., for an inductive load.

Price: \$25. Delivery: immediate.

Micro Switch, Freeport, Ill. (P.W., 2/23/59)



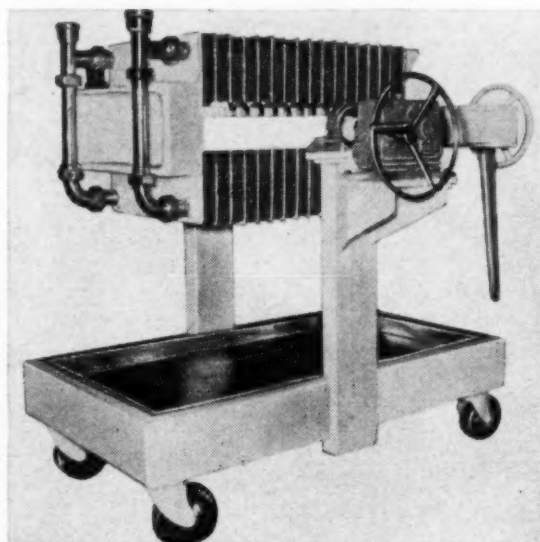
Soldering Gun

Dual-Heat Feature

Model 8200K soldering gun has a special dual-heat feature. High and low heat of 90 and 125 w. are obtained instantly with Triggermatic control. Compact gun is balanced to aid in precision soldering. Pre-focused spotlight illuminates the work while gun is in use. High-efficiency tip uses copper for heat transfer and iron-plating for durability and long life.

Price: \$7.95. Delivery: immediate.

Weller Electric Corp., Easton, Pa. (P.W., 2/23/59)



Filter Press

Uninterrupted Operation

Stainless steel tilting filter press is designed to operate in a vertical position. It is equipped with worm gear for turning to a horizontal position for cleaning and loading. Filter plates are 18x18 in. with stainless steel filter media supports and screen backing plates. Space can be specified for 1 1/2, 2, or 3 in. cake.

Price: from \$1,500. Delivery: immediate.

Consolidated Supply Co., Inc., 22 Wooster St., New York 13, N. Y. (P.W., 2/23/59)



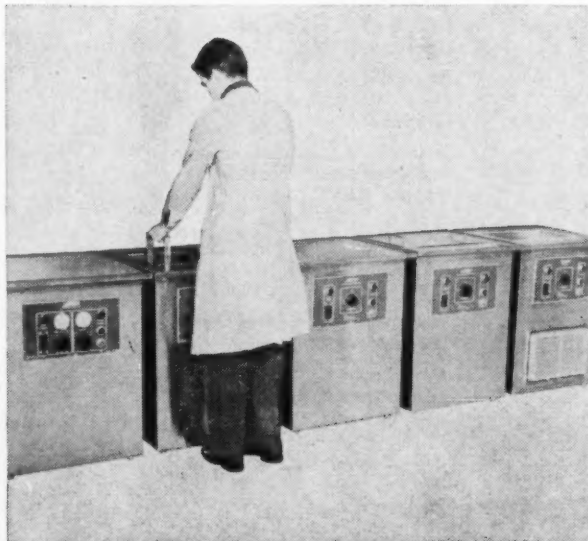
Height Check Instrument

Gives Accurate Dimension Transfer

Hite Checks are designed to eliminate chatter and other vibration in the transfer of dimensions. Using a lightweight aluminum tapered-box construction, uprights provide rigidity and stability in supporting any dial test indicator, in any position. Smooth, easy movement is provided by sturdy bases with hardened and lapped graphitic steel wear pads. Two-piece sliding heads permit quick rough settings, while positive fine adjustments are securely clamped.

Price: \$85 (24 in.), \$110 (36 in.), \$135 (48 in.). Delivery: immediate.

Brown & Sharpe Mfg. Co., Providence 1, R. I. (P.W., 2/23/59)



Cleaning System

Ultrasonic Type

Standard installation consists of three units: generator, tank, and filter. Rinse tank and dryer may be added to handle the work load in minimum time and maximum convenience. Output of generator at 40 kc. is 500 w. average, 2,000 w. peak on pulses.

Price: \$2,650 to \$11,550. Delivery: 4 to 8 wk.

Branson Ultrasonic Corp., 40 Brown House Rd., Stamford, Conn. (P.W., 2/23/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



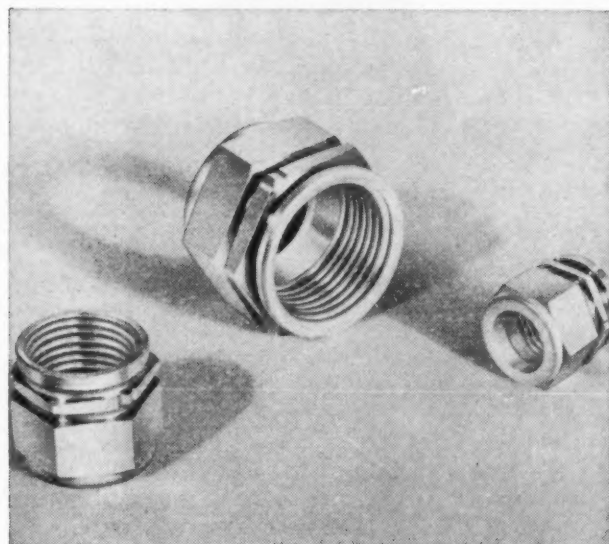
Magnetic Controls

550 Volt Ratings

Class 41 magnetic connectors are rated through 10 hp., 220 v. and 15 hp., 550 v. polyphase for across-the-line control of electric motors, heating, and lighting loads. Controls are also rated for resistance heating loads through 40 amp. Contactors feature compact design, replaceable contacts and coil, and pressure terminals which reduce wiring time. There is no wire looping; just insert wire under connector and tighten with screwdriver.

Price: from \$13 (open type), from \$16 (enclosed type). Delivery: immediate.

Furnas Electric Co., Batavia, Ill. (P.W., 2/23/59)



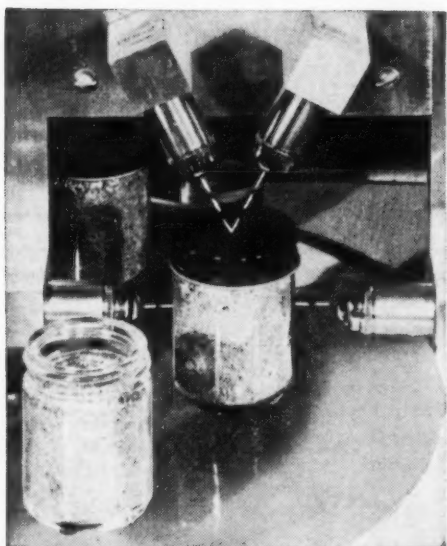
Coupling Nut

Self Locking

CN-8 fluid coupling nut resists loosening under severe vibration even when not fully seated. Nuts are adaptable to either flared or flared methods of tube sealing. Nuts are unaffected by oils. They are reusable more than 15 times without impairment of locking properties.

Price: 13¢ to \$3. Delivery: immediate.

Standard Pressed Steel Co., Jenkintown, Pa. (P.W., 2/23/59)



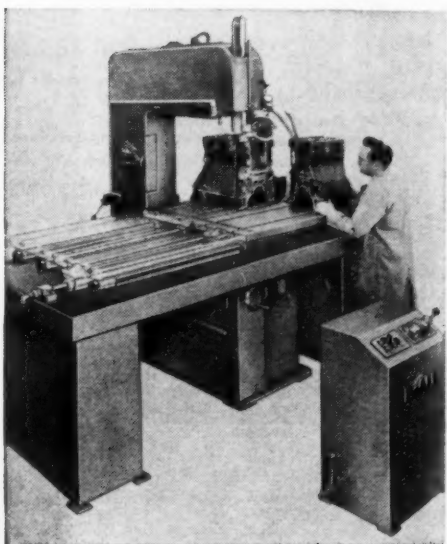
Photoelectric Control

For Quality Control

Electric eyes feature dual light beams. Controls eliminate timers and mechanical contacts used for monitoring of objects moving at varying speeds and positions. Of the two beams, one times the inspection and the other beam monitors. Beams may be direct light cut-off or reflected, or a combination of both. In some cases additional beams are used to monitor two or more parameters when the timing beam indicates "inspection." Entire assembly can fit into tight spots.

Price: \$187.50. Delivery: about 10 days.

Photomation, Inc., 96 So. Washington Ave., Bergenfield, N. J. (P.W. 2/23/59)



Extended Work Tables

For Vertical Band Machines

Extended-travel work table machines facilitate large, awkward band machine operations. HB work table machines are available in M-series; No. 2 series (standard machines); No. 3 series (heavy-duty machines); and Zephyr series (high speed machines). Tables have an effective working stroke of 41 in. They can move a one-ton work piece at any feed rate from 1.5 to 96 in. per min. Table is hydraulically powered for positive, stepless control of feed rate.

Price: from \$4,775. Delivery: 4 to 5 mo.

DoALL Co., Des Plaines, Ill. (P.W., 2/23/59)

This Week's

Product Perspective

FEBRUARY 23-MARCH 1

Researchers are busily turning up new tricks for metals. Look these over and see where you can use them:

- **Lead alloy brazing material permits low-cost production of high-quality ceramic-metal seals.** Seals can be used at temperatures up to 570F. Alloy is essentially a lead-copper alloy containing 3% titanium. It can be used in powder, sheet, or wire form. No auxiliary flux is needed to promote the bond. Bonding takes place at 3,000F. in an inert gas or hydrogen atmosphere. (Sylvania Electric Products, Inc.)

- **A special mix of ceramics and copper turns out a copper that is four times stronger at 1,800F. than conventional copper.** Finely divided ceramics are suspended in molten copper. The same technique with aluminum triples the light metal's strength at 1,000F. Here's how it's done with copper: Boron is mixed into one crucible of molten copper. Thorium mixes with copper in another crucible. The two crucibles are poured into a single mold where thorium boride is formed as a precipitate. Fast cooling traps the thorium boride in suspension. Spread throughout the copper, the ceramic provides high-temperature strength. (Denver Research Institute, University of Denver)

- **A series of vanadium alloys has been produced.** The alloys permit a range of vanadium sheet to supplement available bars and forgings. Main advantages of vanadium alloys are 1. extreme workability—they compare with gold in workability, 2. a higher strength-to-weight ratio than titanium, 3. good weldability. Alloys retain their strength at temperatures of 1,200 to 1,500F. (Armour Research Foundation)

- **Vacuum-deposited cadmium looks like a good bet for corrosion protection of highly-stressed steel parts.** Here's why: Normally high-tensile steel is electroplated. But in the process hydrogen moves from the plating bath into the steel. And hydrogen is the villain in steel embrittlement. Coating the steel with cadmium in a vacuum does away the presence of hydrogen entirely. Applications expected: aircraft landing gear and control components, automotive equipment, and industrial machinery. (National Research Corp.)

- **Wrought rhenium rod, wire, and strip is in commercial production.** The metal belongs to the platinum family and is extremely dense while retaining high strength at high temperatures. Melting point is 5,756F. Rhenium can't be classed as a structural metal, but applications include: electrical contacts that outlast either platinum or tungsten contacts, filaments and structural components of vacuum tubes and mass spectrographs, alloying agent with molybdenum, and thermocouples for extremely high temperatures. Cost is high. Wire, for instance, 0.003 in. dia. costs 55¢ per ft. The metal is produced by powder metallurgy techniques. (Chase Brass & Copper Co.)

- **More parts produced by powder metallurgy techniques are going into autos.** "Big Three" cars now use anywhere from 5 to 7 lb. per car. Add powder metal parts in purchased components, and the figure runs up to about 15 lb. Most of the growth in such parts has come from the use of iron-base parts in structural applications.

There have been some notable improvements in other materials, too:

- **New radioisotope source, Samarium-153, has been developed.** Material is considered a breakthrough in the field of low-energy photon sources. So far it has been used experimentally in industrial and medical radiography. Expectations are that it will be useful in examining thin aluminum and steel parts which can not be radiographed by present sources like cobalt and cesium. Medically it might be used in diagnostic x-rays and experimental dental x-rays. These are advantages: excellent panoramic photo energies for making inside-out pictures of certain types of castings, much shorter exposure period than any other known low-energy photon source, lightweight shielding, low cost. It has this disadvantage: short half-life of about two days. (General Motors Research)

- **Brominated butyl added to tree rubber improves the natural product so that it holds air as well as synthetic rubber.** It will also help natural resist ozone attack. An adhesive based on brominated butyl permits bonding of butyl rubber to metals or other rubbers. (B. F. Goodrich Co.)

- **Evaluation quantities of one of the new family of nitrile silicone rubbers are available.** The family is characterized by its resistance to lubricating and hydraulic oils at high temperatures. The first available, NSR-X5602 is intended for intermittent contact with high-swell fluids or continuous immersion in milder fluids. Seals, boots, diaphragms, and shock mounts can be made from the material. (General Electric Co., Silicone Products Div.)

Profitable Reading for P.A.'s

Power attachment for portable elevating trucks is described in 4-page bulletin. It contains information on performance, maneuverability, design, and engineering features of the electrohydraulically operated Load-Jockey. Engineering specifications are also included. Bulletin is available from American Pulley Co., 4200 Wissahickon Ave., Philadelphia 29, Pa.

DK double-beam ratio recording spectrophotometers are described in 12-page Brochure No. 735. It lists specifications, operating convenience features, applications data, and accessories for the DK-1 and DK-2 spectrophotometers. Copies are available from Beckman/Scientific and Process Instruments Division, 2500 Fullerton Rd., Fullerton, Calif.

Wrought copper and copper-base alloys are described in 14-page booklet. Easy-to-read reference sheets list the nominal composition, available forms, and physical properties of the alloys. Tensile, yield, and shear strength, and elongation of the alloys, both hard and soft, are also included. Booklet is available from Western Brass Sales, Metals Division, Olin Mathieson Chemical Corp., East Alton, Ill.

Lapping-polishing machines are described in 4-page catalog. It gives explanation of vibratory lapping-polishing method and complete descriptions, data and specifications for 5 standard models with from 5 to 30-in. diameter lapping pans. Copies are available from Syntrol Co., 936 Lexington Ave., Homer City, Pa.

Phenolic molding compound—Durez 16771 Natural, is described in 6-page Pamphlet No. D-203. Booklet advises appropriate molding equipment and mold design, and is informative as to performing, preheating, molding pressure, and temperature, and cure time recommended for optimum results. It is also illustrated with photographs showing several current applications for 16771 Natural. Copies are available from Durez Plastics Division, Hooker Chemical Corp., North Tonawanda, N. Y.

Cylinder, manifold, and station pressure regulators are described in 36-page Catalog No. ADC 705F. It contains flow and pressure specifications, as well as inlet and outlet connection dimensions, for each regulator. Catalog is available from Air Reduction Sales Co., Division of Air Reduction Co., Inc., 150 E. 42nd St., New York 17, N. Y.

"Vancoram Briquettes for the Iron Foundry" is title of new leaflet. It illustrates identifying shapes of each of four briquetted alloys for the iron foundry—ferrochromium, ferromanganese, silicomanganese, and ferrosilicon. It details the alloy content of each and describes applications and advantages. Leaflet is available from Vanadium Corp. of America, 420 Lexington Ave., New York 17, N. Y.

Dow Latex 586, an improved polystyrene latex for various

plastics and coatings uses, is described in technical bulletin. It includes detailed information on the physical properties of Dow Latex 586, as well as applications. Bulletin is available by writing Plastics Merchandising-2, Dow Chemical Co., Midland, Mich.

Solenoid valves are described in 20-page Catalog No. 59-60. Typical flow patterns and illustrations of specific valves, port sizes, ordering data, and valve numbers are shown. Illustrated are the Solenoid operated 4-way,

3-way, shut-off, and diverter valve series. Catalog is available from Barksdale Valves, 5125 Alcoa Ave., Los Angeles 58, Calif.

Principles and practices of resistance welding are described in 28-page Bulletin No. PP-54. Bulletin gives the user a good working knowledge of the basic principles of resistance welding. It includes a resistance welding formula, data on how to calculate welding pressures, time in cycles, current in secondary amperes, projection specifications, etc. Copies are available from Federal Machine & Welder Co., Warren, Ohio.

Purchasing Week Definition

Properties of Materials

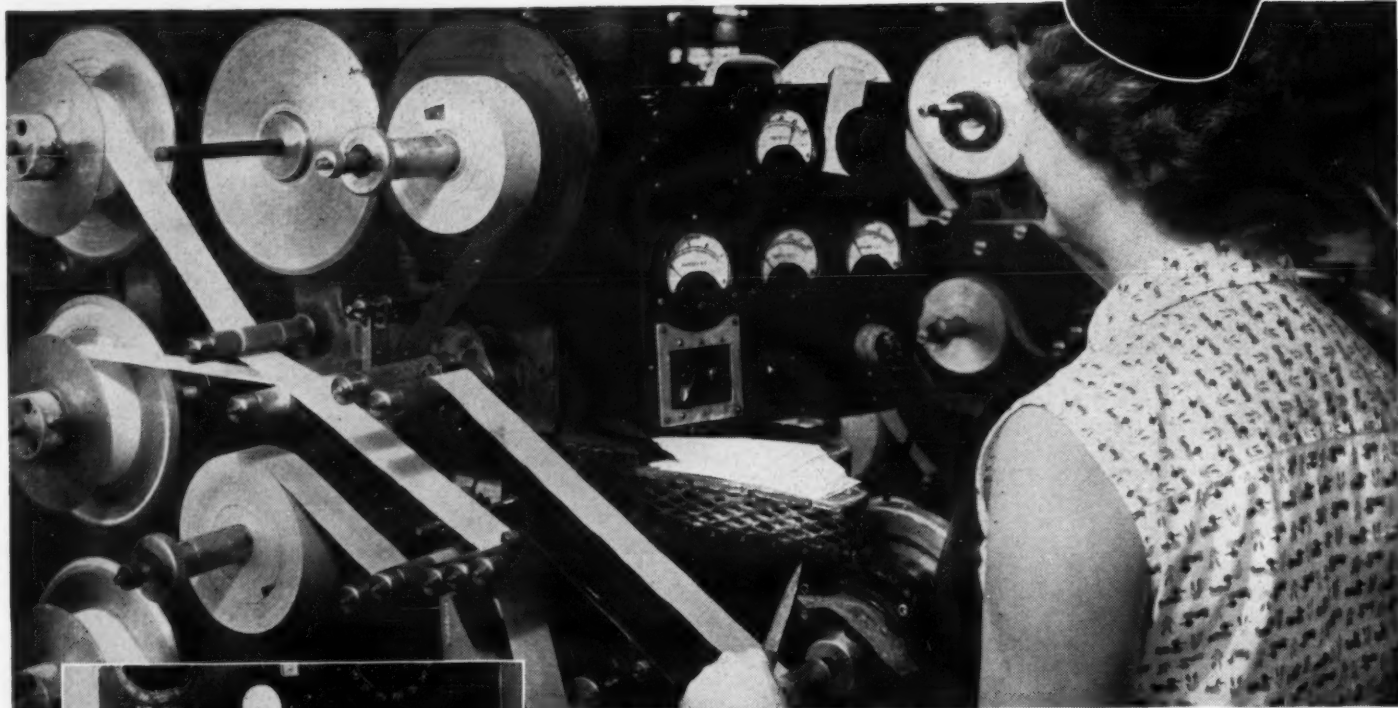
Tensile strength—It is the maximum stress which a material is capable of developing when each end of the specimen is pulled in opposite directions. Test is carried to failure under prescribed conditions.

Compressive strength—It is the maximum stress developed in a material when the specimen is squeezed under load. Some materials fail with a shattering fracture. Here the compressive strength is represented by the load

on the specimen at that point. Other materials fail gradually. Compressive strength in this case is an arbitrary value taken at a point where the distortion of the material is regarded as a failure.

Yield point—It is the point at which an applied load causes a permanent deformation in the material. When any load up to the yield point is removed from the specimen, the specimen will return to its original shape. (P.W., 2/23/59)

Less Than 0.1% Field Failures with Mallory Time-Tested Motor Capacitors



Every Mallory motor capacitor is tested for capacitance while foil is being rolled to assure accurate capacitance.

Before shipment, every Mallory motor-start capacitor you buy for your appliances and motors gets a thorough check by our inspectors. Each capacitor undergoes three tests: for capacitance during roll up, for freedom from shorts before encasing, and for electrical specifications on the completed units. In addition, quality control samples are regularly given extended life tests at high temperatures—others go through hundreds of thousands of start-stop cycles to determine their ultimate service life.

The result: actual records prove that field failures of Mallory motor-start capacitors average well under 0.1%. This kind of quality cuts your warranty replacement costs, adds to the reputation of your equipment.

Over 25 years of Mallory pioneering in motor capacitors have provided constantly higher temperature ratings, more compact designs, higher current ratings, greater range of capacities and voltage ratings, built-in bleeder resistors. Write today for full data and for a consultation with a Mallory engineer.



Dielectric tests are made before encasing the cartridge as shown here... followed by complete tests on the finished capacitors.



P. R. MALLORY & CO. Inc., INDIANAPOLIS 6, INDIANA

Briefs from P.A.'s Suppliers

San Francisco—Yuba Consolidated Industries, Inc., has entered fabrication of heavy pipe with the purchase of Southwest Welding & Mfg. Co. of Alhambra, Calif.

"The addition of Southwest Welding to the Yuba heavy steel fabrication group complements perfectly our facilities in other sections of the country. It marks the entrance of Yuba into the rapidly expanding economy and industry of Southern California," J. L. McGara, Yuba president, said.

Compton, Calif.—Carlson Products Corp.'s new plant here will be the first West Coast facility to produce plastic sewer and underground irrigation pipe. The

plant also will supply the area with a complete line of plastic pipe and fittings.

Carlson's new facilities are part of the company's nationwide expansion program, which includes \$1 million of construction at its headquarters in Aurora, Ohio.

Cambridge, Md.—Airpax Products Co., with a plant here and in Fort Lauderdale, Fla., has a new corporate name, Airpax Electronics, Inc.

Houston, Texas—A new firm, Houston Instrument Corp., will develop, manufacture, and sell laboratory instruments for the petroleum and chemical industries.

Houston Instrument has purchased rights from Industrial Instruments Division of Mandrel Industries, Inc., to manufacture and market X-Y recorders, strip chart recorders, and D. C. amplifiers.

Aurora, Ohio—Carlson Products Corp.'s purchase of United Pipe & Tube Co., Houston, Texas, has resulted in complete coverage of the Southwest. The facilities will operate under the

Carlson name and will carry Carlson's complete line of plastic pipe and fittings.

The plant also will produce plastic-coated steel underground pipe for gas, electrical conduit, and all applications requiring corrosion-free metal pipe.

Santa Monica, Calif.—Douglas Aircraft Co. and General Aniline & Film Corp., have organized Datagraphic Systems, Inc., to develop new techniques, processes, systems in the microfilm and reproduction field.

Detroit—Huron Portland Cement Co. will be operated as an independent organization by Na-

tional Gypsum Co., Buffalo, N. Y. National Gypsum has just bought Huron for approximately \$60 million.

Huron's Alpena facility is one of the world's largest cement manufacturing plants. The plant turns out 30,000 bbl. of cement a day.

New York—Construction of two new can plants will begin early this year in Texas and Mississippi. They will serve the Rio Grande Valley and Gulf Coast. Continental Can Co. said the new facilities will be supplied with lithographed and lacquered tin plate by its Alabama, Louisiana, and Texas operations.

PURCHASING WEEK

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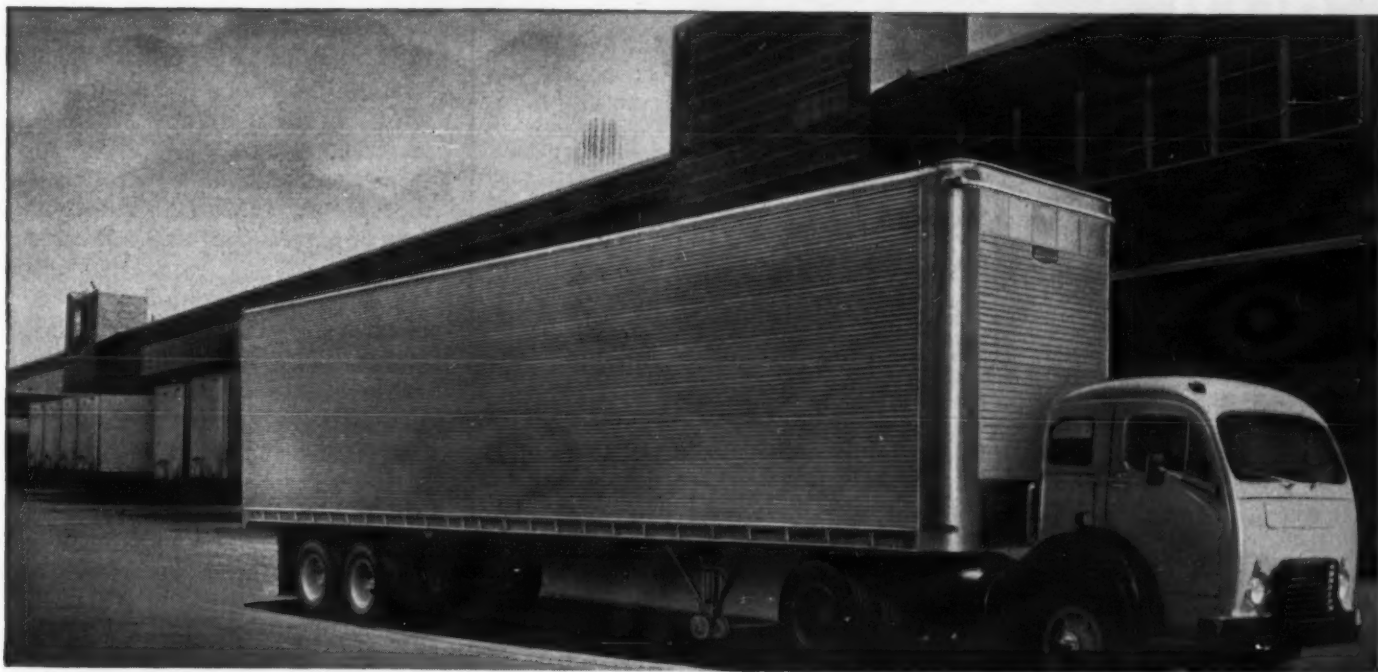
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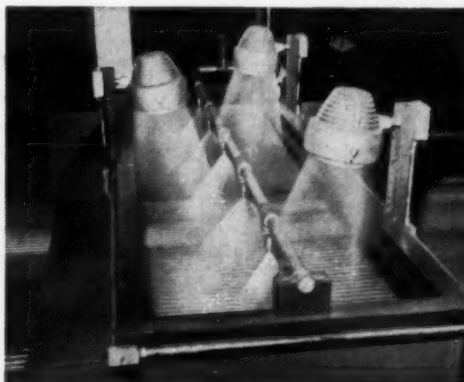
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High advertising value.
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Machine-welded corrugations.
Rugged, hat-shaped side posts.
Torture-tested, water-proof roof.
Rugged, hat-shaped roof bows.

Weathertight body.
Weathertight "plymetal" doors.
High-volume design.
Extremely light weight.
Nearly square inside corners.
Extra wide rear opening.
Low-silhouette coupler optional.
Lubrication-free tandem.

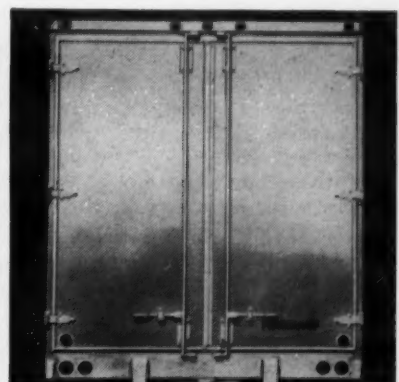
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Buy More From Us, Britain Warns Canada

London—Britain has given a sharp warning to Canada that it must do something about the "terribly and uniquely lopsided" British-Canadian trade.

Sir David Eccles, president of the Board of Trade, told a London meeting of the Canadian Chamber of Commerce that the British government hopes to go further in easing dollar import restrictions, but must have "some confidence that the Canadian market will make a sustained and exceptional effort to buy our goods."

It isn't reasonable, he said, "to ask the United Kingdom to continue a one-sided business of opening up its market to Canada if we are not sure our balance of trade as a whole is going to be improved thereby."

There is a widespread feeling in London that the government is slowing down its plans for dollar import liberalization, partly because of disappointment over

Canadian trade and partly because of the jolt created by U. S. rejection of the English Electric Co.'s Greer's Ferry turbine bid.

British Industry Finally Reports Business Rise

London—British industry apparently has donned some rose-colored glasses for the first time since mid-1957.

The Federation of British Industries, which began periodic checkups on the state of business in Britain about 18 months ago, finally has issued a slightly favorable report. Industry finally is feeling more optimistic than it did at the time of the last survey in October, the federation says, because of higher output and a small increase in orders.

Capital investment still is declining, but the rate has slowed. Both employment and raw material stocks also have fallen. But of the 675 firms surveyed, 35% indicated more optimism than last October. Only 15% took a gloomier view than they did five months ago.

About 31% reported orders up, 26% listed a decline. The increases were in domestic consumption only; export orders appear to have fallen off slightly.

Commenting on the survey, the *London Financial Times* observed last week that although the British economy experienced a less serious recession than American business in 1958, "it is enjoying a less rapid recovery than the American economy showed at a comparable stage."

Russia to Ship Pulp Wood To Orbit Sales Co. in Conn.

Moscow—First Russian wood pulp shipment to United States in ten years will go to Orbit Sales Co., New Haven, Conn., Louis Zemel, Orbit president, told McGraw-Hill World News.

Zemel bought 1,000 tons of bleached sulphite pulp for distribution on sample basis through Exportles, Russian agency, handling foreign sales of timber products.

After paying \$115,000 fob and \$15,000 for freight, Zemel said, Orbit will be able to offer pulp, "at very competitive prices." Zemel hopes ultimately to import at least 200,000 tons yearly of Russian bleached and unbleached pulp.

Australia Expanding Tinplate Facilities to Eliminate Imports

Melbourne—A major expansion of Australia's tinplate manufacturing facilities is under way. The target is a complete elimination of hot-dip type tinplate imports.

Current moves at the B.H.P. Co. plant will cost \$4.5 million and will increase capacity by at least 40,000 tons a year. They include four complete new tinning lines together with additional annealing plant and a high-speed shear line with classifying and inspection facilities. The extension program will be completed early in 1960.

France, Using Italian License To Produce Polypropylene

Paris—France will go into polypropylene production next year under an agreement with the Italian producer, Montecatini.

Pechiney and Societe Normande de Matieres Plastiques will produce polypropylene under Montecatini and Ziegler licenses. It is still to be decided whether to form a joint subsidiary for polypropylene production or each will produce separately.

Construction of two plants with a total initial capacity of 10,000 metric tons a year will start soon. Plants are expected to go on stream toward the end of 1960.

This Week's

Foreign Perspective

FEBRUARY 23-MARCH 1

London—Industry here is getting really worried at the failure of the government to associate England with the common market.

You can expect to see increasing pressure as British exporters start to suffer from exclusion from the new European trade club.

Already some industrialists are thinking in terms of an organization to push the government faster into association with the common market. **They are alarmed by the official British attitude of wait-and-see.**

Anxieties were heightened recently when a top government official told Parliament that the government had nothing definite in mind regarding how to bring Britain into closer touch with the common market.

It was this same official (Paymaster General Reginald Maudling) who conducted the long negotiations with the six for the creation of a free trade area which ended in stalemate late last year.

Talks foundered because Britain all along underestimated (1) the hostility of France to a free trade area—and (2) the influence of France in the counsels of the common market countries.

Meanwhile, with Britain isolated from the common market, the six countries are going ahead full speed with their new trading arrangements.

The feeling here is that it soon may be too late to catch up. That's what is worrying Britishers with important European trade outlets.

Warsaw—Huge new copper deposits, recently discovered, could help make the Communist bloc self sufficient in the red metal.

A still secret report submitted to the Polish government contains details on what "Zycie Warszawy" (a Warsaw Daily) describes as "one of the world's largest copper deposits."

The newly discovered copper deposits are reported to be more prolific than the currently exploited Polish mines. **They are thought to hold millions of tons of pure copper and will eclipse the best known and hitherto largest deposits of Europe.**

Current mining studies are underway to examine the economic feasibility of recovering other metals contained in these valuable deposits. These include molybdenum, vanadium, nickel, cobalt, and silver.

Much development work remains to be done. So even if preparatory work would start within the next month, it will take between 5 and 7 years before the first copper can be taken from the deposits.

New Delhi—The Indian government is hoping for additional dollar aid to build a new state-owned steel plant.

The plant in question is scheduled for construction at Bokaro, in Bihar State. Discussions on finance and erection still are proceeding.

To date, India has gone to three countries for foreign aid in establishing a state-owned steel industry. A consortium of British companies is building a one million ingot ton capacity steelworks at Durgapur.

West Germany is collaborating on the erection of a plant at Rourkela, while Soviet Russia is responsible for another at Bhilai. These two plants likewise will have one million ingot ton capacity.

It's known that India will be reluctant to approach any of the three countries already collaborating on steel projects to assist with the fourth.

That's why the possibility of U.S. financing has been mentioned. **So far no one has officially stated that the U.S. will be approached for assistance on this one, but it's considered more than likely here.**

Hong Kong—Red China is upping its trade with England and Germany.

According to a new report, Red imports from Britain went up 120% last year. Over the longer pull, a sevenfold increase in exports and fourfold increase in over-all Sino-British trade is reported since an "ice-breaker" mission of British businessmen visited Peking five years ago.

The Chinese are buying machinery, wool tops, man-made fiber yarns and woven fabrics, chemicals and metals. British imports from Red China are mainly foodstuffs and cloth.

Meanwhile, West Germany's trade with Red China, which was about the same as Britain's in 1953, has increased even more—about sixfold. German exports to China are now running at double the British rate.

This is causing concern in British circles trading with Red China. **These quarters believe Germany is getting the lion's share of trade with Red China because of lower prices and quicker deliveries.**

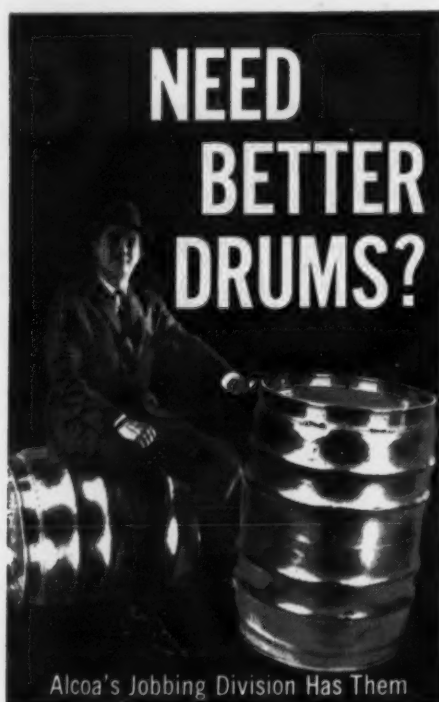
Madrid—There's growing competition among Western sellers for Spain's machine tool business.

Until recently Britain had a clear field. But now West Germany is entering this lucrative market.

German machine tool makers are offering extremely favorable credit terms in their drive to sell a larger volume of equipment.

The drive has British interests worried. So much so that a delegation of English machinery men recently visited Madrid in full-scale effort to offset German offers.

To hold on to this big Spanish market the British are offering better credit terms, too. They're working on arrangements whereby London would help via the government's Export Credit Guarantee Department.



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Purchasing Perspective

FEBRUARY 23-
MARCH 1

(Continued from page 1)

was conducted recently among householders in the Philadelphia metropolitan area. Instead of asking individuals what they planned to buy in the near future, interviewers reversed the English and asked consumers one question: "If you received \$2,000 unexpectedly, how would you use it?" Subsequent questions depended on the initial response.

The idea was to record the blurted response, the prime reaction to the prospect of a \$2,000 windfall.

Reporting on the experiment this week, the Federal Reserve Bank of Philadelphia notes that 24% said they would save the entire amount. Paying off bills was the next most popular answer (23%). Sixteen per cent said they would spend it outright. The remainder combined the three basic answers: 10% would spend and save, 6% said spend and pay bills, 8% would pay bills and save, 8% would split it three ways—save, spend, pay bills.

Subsequent answers to specific queries on the why and how of the proposed saving and spending provide some material for interesting conjecture on the course of the economy over the next few months or a year. First glance would indicate recession wounds had far from healed as reflected in the preference for bill paying and saving.

Yet, most of the "savers" lived in the more well-to-do areas covered by the survey. Relatively few (only 3.8%) mentioned buying a car. Fewer yet preferred appliances, but fairly numerous were replies indicating housing repairs (14%) or home buying (6½%). Education, furniture, and vacations rated fairly high, particularly among higher income groups.

The pollsters came to no definite conclusion, except to comment that perhaps we have a new, "sophisticated" consumer developing—one who does not have the need or inclination to splurge as his earlier post-war counterpart.

What did you say you would do with that \$100,000?

Shorter Work Week, Higher Pay A.F.L.-C.I.O. Leaders' Weapons

(Continued from page 1)

cials laid out a campaign to combat what they are betting will total 5 million unemployed by the middle of 1959.

The program will not come easy. United Auto Workers President Walter Reuther proposed a "march on Washington" as the best way to demonstrate labor's concern over unemployment. The idea was immediately attacked by George Meany, head of the federation, and before the first day's conference was ended, Meany and Reuther were involved in a sharp scrap.

At mid-week a final version of a labor unemployment demonstration still had to be worked out. But some form of demonstration meeting appeared to be developing out of the San Juan sessions.

Labor Not Optimistic

The labor leaders claim that unemployment, now at 4.7 million, isn't going to get better but will worsen by mid-year. They describe it as "chronic unemployment" that has lingered despite the lift in the recession. Automation draws heavy blame.

Most labor leaders attending the ten-day conference had complaints about non-working members, or those on short workweeks. Steel, autos, electrical, oil, and construction jobless counts were cited.

Reuther also argued that the 4.7 million unemployed figure did not show 500,000 "underemployed" or those not seeking work because there isn't any

and aren't counted on the jobless lists.

The A.F.L.-C.I.O., in its campaigning on the jobless picture, has legislation as the joint target of all the unions. They'll go after spread-the-work and security matters in individual negotiations.

On legislation, here's what they'll be demanding from Congress in their public demonstrations within the next few months:

- Federal loans and grants to depressed areas. The idea is to create new jobs to be filled by the current unemployed who have lost out in their industries.

- Federal aid for housing, including slum clearance, urban redevelopment, and so on. This would create work for the semi-skilled industrial employees and for the jobless craftsmen.

- Highway and hospital construction, natural resource development spurred by federal aid is another job-making proposal.

- A lift in the minimum wage to \$1.25 and extension of coverage to millions of retail and service workers to spur more jobs by increasing purchasing power. Also, federal unemployment pay minimums.

As a counterpart to this legislative drive in Congress, the unions are lining up their guns for bargaining against unemployment. Emphasis will be on severance pay, unemployment compensation, spread-the-work plans that cover extended vacations, longer holidays, and the like.

One key demand that hits both legislation and bargaining is the



Advertising Men Get Industrial Advertising Information From P.A.'s

Dallas—Members of the Dallas chapter of the National Industrial Advertising Association got the views of purchasing agents at their last meeting. A panel of the purchasing experts told what they like to see in advertising in trade publications and what types of advertising helps them the most.

Gordon Jones, manager of the Southwestern Division of McGraw-Hill Publishing Co. and

vice president and program chairman for N.I.A.A., was panel discussion leader. Taking part in the discussion were, left to right, Bill Hoffman, director of materials, Chance Vought Aircraft, Inc.; Frank Wodrich, purchasing agent, Apparatus Division, Texas Instruments Inc.; Jones; J. D. Brown, vice president of purchasing, General American Oil Co. of Texas, and Don Wilson, chief purchasing agent, Bell Helicopter.

Firmer Copper Prices Expected Until Spring

(Continued from page 1)

higher copper prices will rise. Generally, though, they run about ½¢ a lb. more than current quotations—with some part of this boost expected within the next two months.

Some P.A.'s think increases may come even sooner than that. Say's one Eastern buyer: "We figure another jump will be coming up within a few weeks."

Another P.A. who has followed the copper market closely for 14-15 years is now convinced the metal is due for a steady price increase.

Reports of the firming copper picture come from suppliers as well as P.A.'s. The custom smelters have ordered another boost, and sources say further rises are likely if the brisk ordering pace continues.

One factor in the tight supply of custom smelter copper has been the shortage of copper scrap—a major raw material for smelters. Scrap dealers have not been anxious to sell, preferring to hold back in anticipation of higher prices.

Major producers are also optimistic. February output has been sold out. And when pro-

shorter workweek. At the San Juan sessions, this came up in both categories.

Here, Reuther again met some resistance from other executive council members. His own legislative proposals include a demand for "progressive reduction" in the workweek by amending the Fair Labor Standards Act. The act now sets the workweek before overtime at 40 hours.

Reuther didn't spell out how this reduction should fall, but some union leaders nevertheless are resisting the proposal as an A.F.L.-C.I.O. legislative goal—preferring that it come out in collective bargaining.

There's some feeling that a reduction in the workweek by legislation might not be compensated for by keeping the wage levels or even raising them, while cutting back hours. But, there is full agreement among A.F.L.-C.I.O. leaders that a cutback is necessary to spread out jobs in the face of high unemployment totals.

ducers recently opened their order books for March delivery, the response was encouraging.

The nation's brass mills also reported rising demand. New orders are coming in at a good clip. They note that the buying is on a broad front and shows signs of continuing.

Brass and bronze ingot are also going up. One maker last week increased prices by 1-2½¢ a lb. They were attributed to recent boosts in copper scrap (a major ingredient) and rising tin prices.

Russian buying may be still another bullish factor. The Reds have reportedly been in the market for increasing amounts of copper metal.

On the domestic scene, however, rising production needs seem to be the most potent current factor in the rising demand upturn. Almost all P.A.'s agree that this is a significant factor.

One Southwestern buyer, Roy E. Baxter of Eastman Products Corp., estimates his firm is using 25% more copper than a year earlier.

Another P.A., this one on the West Coast, stated, "we normally run our inventories down this time of year, but we haven't done it this year because of expanding production needs."

The fear of higher prices is also weighing heavily in some purchasing decisions. A Georgia P. A. analyzes the buying spurt this way:

"A small part can be attributed to stepped-up production over last year, but most of it is protective. Normally we buy very close to the vest on copper, but we're stocking heavily now—we're that such increases are on the way."

A Midwest copper buyer thinks the same way. He says that he is increasing forward buying since he is almost sure any further changes in copper prices will be in an upward direction.

Hedging to beat the strike-inspired shortages is also beginning to show up. Isadore Familian, president, Price Pfister Brass Mfg. Co., Los Angeles, says that his inventories are 50% above normal because of anticipated problems in June or July.

But many other purchasing

executives are still waiting. According to one buyer in a West Coast wire and cable plant, "strike fears are having no influence. But they undoubtedly will later."

Harold Lewis, P.A. of Mueller Brass Co. in the Detroit area, thinks that the strike influence is already being widely felt. He states:

"I feel that this situation is patterned after, in fact is almost the exact duplicate, of the current steel buying panic. P.A.'s are starting to order much more than they can use."

"This, of course, puts pressure on the producers of copper—and with the demand exhausting the available supply—it has started to hamper delivery and will probably cause prices to rise."

Steadier Copper W. Europe's Goal

(Continued from page 1)

It is hoped the data will improve flexibility in copper production and help bring about more even prices.

Statistical data being prepared by the council will include trend of orders booked, monthly copper consumption, and a general review of trade trends.

The question of the European Common Market members' preference for fixed copper prices was brought up at the session but was not discussed at length. A number of European copper consumers seek to replace the fluctuating open market basis of the London Metal Exchange in world trading operations. The problem is considered more political than economic but probably will be tackled at the council's annual session in Copenhagen, June 15.

In discussions of the trend of trade and export business, council delegates revealed that Western European production of copper and copper alloy semi-manufacturers last year hit a high of just under two million tons.

Work of the international organization for standardization in copper and copper alloys was discussed and criticized for moving too slowly.



AT CHICAGO PRODUCTS SHOW Rudy Hendersen, left, Samuel Harris Co., demonstrates products to George R. Vorel, Sr., and Karl Jacobson, both of Griffin Wheel Co.



AT CHICAGO SHOW also were J. J. Hatvagner, Victor Chemical Works; Irv Olsen, Bosler Supply Co.; D. Strandberg, Victor Chemical; and Jordan Hecktman, Bosler.



AT ST. LOUIS SHOW chairman of display committee was B. O. Belknap, left, P.A., Titanium Division, National Lead Co.; J. M. Tyler, association president, is right.

M.R.O. Snags Send P.A. to Supplier and Products Shows

'Boom Without Shortages' Predicted; P.A.'s Must Pry Profits from Prices

(Continued from page 1)

Predicting a "boom without supply shortages" type of economy, McKinsey's purchasing specialist, Richard W. Taylor, sees the period characterized by "intense price competition."

"There will be an ever-increasing demand for goods but coinciding with that production will be more than adequate. In short there will be a boom without shortages, thus subjecting purchasing to terrific pressure to wring profits out of prices."

As Taylor sees it, management has no where else to turn to except purchasing as profit-margins continue to narrow to meet competition. Production and marketing have long been the big profit sources, he said, but "you can't squeeze much more out of them."

Taylor believes the firms which take the most aggressive measure in purchasing will be the only ones "able to stay in there with the competition."

Determined to ride the crest of what it sees as a "new look" for industry, McKinsey recently completed what it considered a searching look at the purchasing picture. It concluded that management control of purchasing procedures and measures of purchasing performance border on the scandalous. It has devised a control and performance report system which it believes can correct glaring deficiencies.

Taylor contends that because top management failed to exhibit the necessary interest in purchasing at the beginning, development of objective performance reporting systems has lagged. Thus, Taylor says, "The average chief executive has never had a clear picture of the degree to which purchasing contributes to the success of his business."

Taylor believes that numerous past attempts to set standards for purchasing have proved deficient because they lacked a "common denominator" among companies. Rather than attempt to measure, for example, the number of purchase orders per day or per week, Taylor suggests setting up controls and plans in terms of results and measuring the results against pre-set objectives.

The purchasing performance

reporting system devised for McKinsey by Taylor is based on key factors which focus the attention of management on specific problems and operating areas. His big emphasis is price.

"Reports provide tangible evidence of the effectiveness of the control system," Taylor contends. "This is a form of showmanship—the facts skillfully presented to give a quick picture of a primary subject with statistical breakdowns of the most significant details."

In addition, they point up clearly departures from an excellent plan or bogey. Here is how Taylor's system works.

It starts with a summary report from purchasing to management depicting the basic performance areas of price, quality, delivery, and special vendor services. The chart shows planned objectives in each category, actual results obtained, and the variance between the planned and actual. Figures given are for the latest period and the year to date.

A second section of the summary report briefly covers major market developments. A third sums up the status of various programs such as cost reduction and make-or-buy studies.

Supplementing the summary report is a chart and summary covering the "cost per basic lot versus procurement price objectives."

Here the all-important price objectives are set forth in figures and on line graphs with the corresponding actual price obtained. The basic lot prices utilized would comprise the rated average cost per lot of the key ingredients in all major products.

The procurement target prices for key ingredients are listed as modified to reflect cost improvement, goals, economic changes, etc. It all adds up to what you expected to pay for key items versus what you actually paid for the current period and the past year.

Other supplementary reports would tabulate:

Quality level of purchased parts—expressing the value of rejections as the percentage of the total value of receipts.

Vendor delivery performance

—value of late deliveries expressed as the percentage of the value of total deliveries.

Breakdown of variances by cause—detailing variance by specifications, economics, negotiations, and other causes.

Breakdown per commodity cost by product—in terms of the objective actual and the variance.

A final report would chart the progress of issuance of releases and purchase orders—depicting the scheduled production needs for the actual placement of purchase orders and issuance of engineering releases.

Taylor's entire system focuses the attention of management and purchasing on price. Other purchasing factors are taken into consideration, but setting of price objectives and comparing the objectives with the actual results obtained comprise the major effort in his system.

Other areas he lists as important for purchasing to play a major role in developing a profit building potential are design or material specifications, basic sourcing decisions (make-or-buy), and materials control.

(Continued from page 1)

Questioned specifically by PURCHASING WEEK as to why they attended product shows, the P.A.'s at the Chicago exhibit offered two big reasons: new ideas and "public relations."

"I feel the time spent at a products show is well worth while even if I find only one idea or item that could prove helpful in my operations," commented Roy Sielisch, purchasing agent for Radio Industries, Inc., Chicago.

Seymour Ellison, purchasing agent for the Perfection Gear Co. and president of the Chicago P.A. Association, said:

"What better way is there to provide first class purchasing help than to get a first hand picture of the market today with its latest products and services all in one large exhibition?"

"I'm primarily interested in applications," explained Fred Knight, purchasing agent for the University of Illinois. "I discuss technical details at the show, and even availability and delivery. But I don't let price come up until I'm sitting down behind my desk ready to do business."

Others also attested to the immediate de-emphasis on price.

One of those who gave "good public relations" as a big attraction of the show was Vern Howles, purchasing director of the Sherwin-Williams Paint Co., Chicago. "I come because I'm invited by suppliers and I think it's good business to oblige," he said.

"Once in a while I spot a product and get a new idea at the show that proves useful. But I don't come looking specifically for that."

Donald Bertrant, P. A. at Templeton, Kenly & Co., a Chicago manufacturer of industrial jacks, commented on another angle of the public relations aspect. "I find it a good time to chat personally with the top brass of suppliers and also put in a few plugs for some of the salesmen I do business with. It helps."

Exhibitors said most P. A.'s who visited their booths were interested in "anything new, including ideas."

"When they spot a new product," commented Dick McCall, sales manager for Mack-Chicago Corp., a corrugated box manufacturer, "the first question they ask is generally 'is it a stock item.' They know that fabricated items usually cost more."

Industry-wide trends highlighted at the show fell mainly into three categories:

Inventories—While most P. A.'s are either building inventories of production items or holding them at a safe level, they are paring M. R. O. inventories and depending more on suppliers.

Leasing—There is a definite upsurge in rental-purchase plans for smaller as well as larger pieces of equipment. Many exhibitors said this plan has increased their business tremendously.

Products—One of the new products that drew much attention at the show was the new Westinghouse hot and cold water cooler, exhibited by S. K. Culver Co., Chicago. The "hot water" feature, it was pointed out, can produce economies for a company by cutting coffee-break time (for those who like instant coffee).

Another was Insul-Screw, a plastic screw with a metal core made by the Austin Screw Products Co., Chicago used in chemicals and electronics.

Closed Circuit TV Use Growing

Chicago—The increasing use of closed circuit television as a management communications tool in purchasing was cited last week at an American Management Association personnel conference.

A West Coast industrial relations director said his firm has used closed circuit TV "most successfully" for over a year. Many phases of plant operation—including purchasing, quality control, public relations, personnel, etc.—participated in the in-plant TV programming.

D. M. Snow of Hallamore Electronics Co., Anaheim, Calif., said the approximate \$15,000 invested in his firm's one-man TV studio package unit has produced benefits far exceeding the original cost.

The report on closed circuit TV at the Chicago conference followed closely on an international closed TV hookup utilized earlier this month by Eagle Pencil Co. Via a show originating from Eagle's Danbury, Conn., home plant, thousands of purchasing agents and dealers throughout the United States and in Canada attended a sales promotion and value analysis confer-

ence on Eagle's products without leaving their home cities.

Eagle beamed its show to hotels in ten U. S. cities and Montreal and Toronto where an estimated 8,000 purchasing executives and sales personnel had gathered on invitation of the firm.

One of the 600 P.A.'s who witnessed the program in Chicago, Charles Jones of the Pheoll Mfg. Co., commented that "closed circuit TV is something new and interesting. The Eagle show was not only excellent public relations, but was an easy way for a P.A. to make a plant visit to a supplier."

In discussing Hallamore's use of TV, Snow said the electronics firm had used it on several occasions to acquaint plant personnel with procurement procedures, services of vendors, and methods of bringing material into the plant to meet production schedules.

Snow also cited one instance where intra-plant TV was used to stress quality control importance to employees. "Sloppy work in final clean up and assembly of a group of equipment" was actually shown on TV.

Robinson-Patman Hearings Set for March 17

Pressure on to Amend Act Intended to End Price Discrimination

(Continued from page 1)
complicated. Its purpose is to reverse a 1951 Supreme Court decision.

The Robinson-Patman Act now prohibits a seller from discriminating in price in selling to competing customers whenever the effect of the discrimination "may lessen competition or tend to create a monopoly . . . or injure, destroy, or prevent competition. . . ."

Only Two Defenses

The original act sets up only two defenses: 1. A seller may charge one customer less than another if he can justify the differential on the basis of savings in cost in making the sale, such as on quantity orders. 2. Even though F.T.C. shows a seller discriminated by selling at different prices to competing customers, a seller can show that the price cut was made in good faith to meet an equally low price of a competing seller.

Meeting Competition a Defense?

The 1951 Supreme Court decision centered on the second defense and raised this issue: When a seller shows he made a price cut to meet competition, does that mean the commission can still find him guilty of illegal price discrimination if it shows that, in fact, the price cut actually may substantially lessen competition or tend to create a monopoly? Or is it legal to meet competition, regardless whether it hurts competition?

The Supreme Court resolved the dispute in favor of hard competition: It said meeting competition is a complete defense—and F.T.C. cannot find illegal price discrimination in such a case, even though it believes competition is actually hurt.

S. 11 would allow meeting competition as a defense to price discrimination charges—but only if F.T.C. is unable to prove that the price cuts involved actually may hurt competition.

Fight in Two Congresses

The father of the original act, Rep. Wright Patman (D.-Tex.), and Kefauver have led the fight in the last two Congresses to pass S. 11. In many ways, the fight resembles the fight in passing the original Robinson-Patman Act in 1936: Large manufacturing companies oppose S. 11 as requiring rigid price uniformity and restricting hard competition; small business—particularly drug, food and virtually every other retail and wholesale organization in the country—supports S. 11 as necessary protection against being squeezed out of business.

It is still too early to predict the outcome on S. 11. It has come close to passing before, only to fail. There is opposition to it—and many lawmakers privately admit they do not really understand just how the bill would affect industry. But if the bill reaches the floor for a vote, few senators or representatives are likely to stand up and vote against a bill which small business has made an article of faith since 1951.

Sen. Homer Capehart (R.-Ind.) also has a bill, S. 138, on the same subject. Capehart's bill would merely write the Supreme Court's 1951 decision into the Robinson-Patman Act. But whatever Congress does on S. 11, it will not adopt the Capehart bill.

Here's the situation on other pricing legislation:

• **Price Disclosure**—Rep. Patman also wants Congress to adopt a bill requiring sellers to disclose to all customers any favorable terms they grant to one customer. The idea is to alert

small business to any special price deals or advertising allowances their bigger competitors may get from a common supplier. There's not much chance this will get serious attention.

• **Price Notice**—Sen. Joseph C. O'Mahoney (D.-Wyo.) has introduced a bill to require companies in concentrated industries to file advance notice of price increases with the government and go through a 30-day waiting period, during which the F.T.C. could hold hearings, before the increases are put into effect. No

hearings have been scheduled on the bill.

• **Fair Trade**—Sen. Hubert Humphrey (D.-Minn.) and Rep. Oren Harris (D.-Ark.) have again introduced bills to set up a national fair trade law. This would replace the crumbling system of state fair trade laws, and authorize manufacturers of trademarked products to set a minimum price which wholesalers and retailers could sell. This is designed primarily to protect small retailers from price-cutting by discount houses. Humphrey and Harris will try to drum up general support in hearings; but chances are the Senate will not approve the bill even if the House does.

New York Group Holds Sales-Executives Banquet

New York—More than 800 of New York's top business and industrial executives assembled at the Hotel Commodore, February 17 to dine with members of the Purchasing Agents Association of New York. The occasion was the association's annual purchasing-sales and executives night banquet.

The audience soundly applauded the fun-poking efforts of Harry Hershfield, humorist and raconteur, who treated the topic: "Are Purchasing Agents and Salesmen Necessary?"

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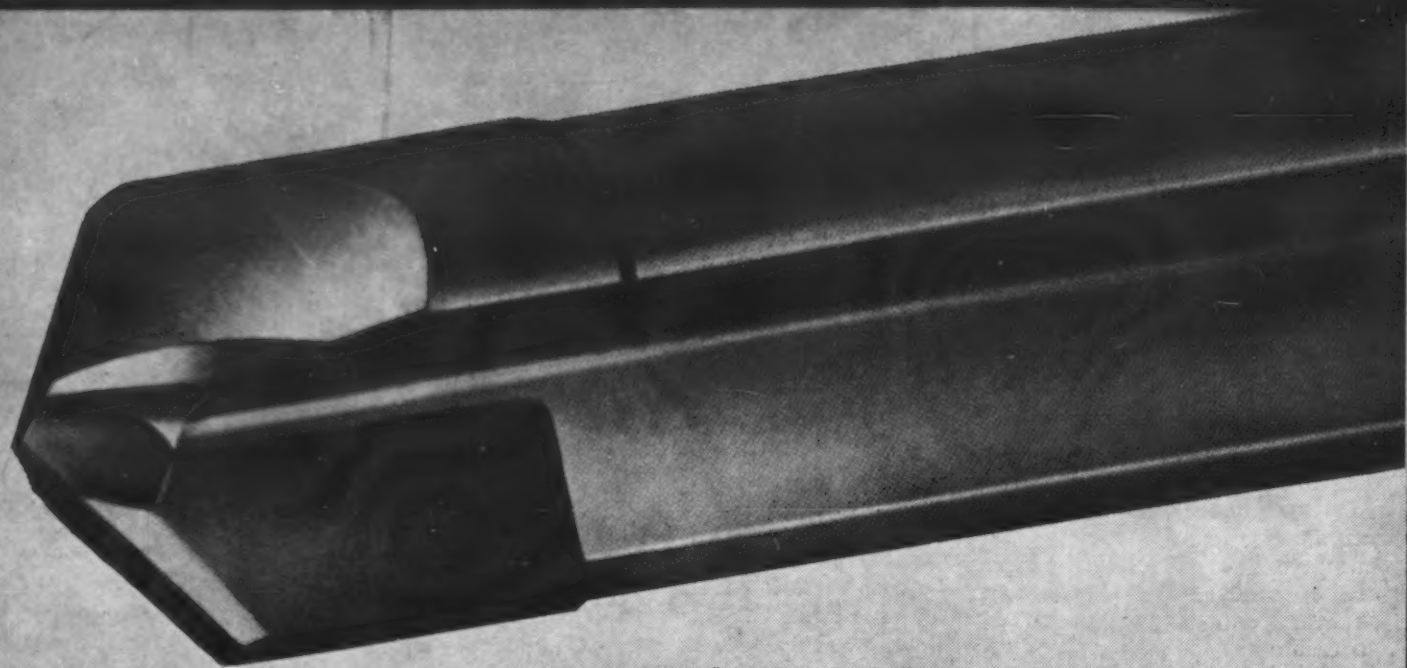


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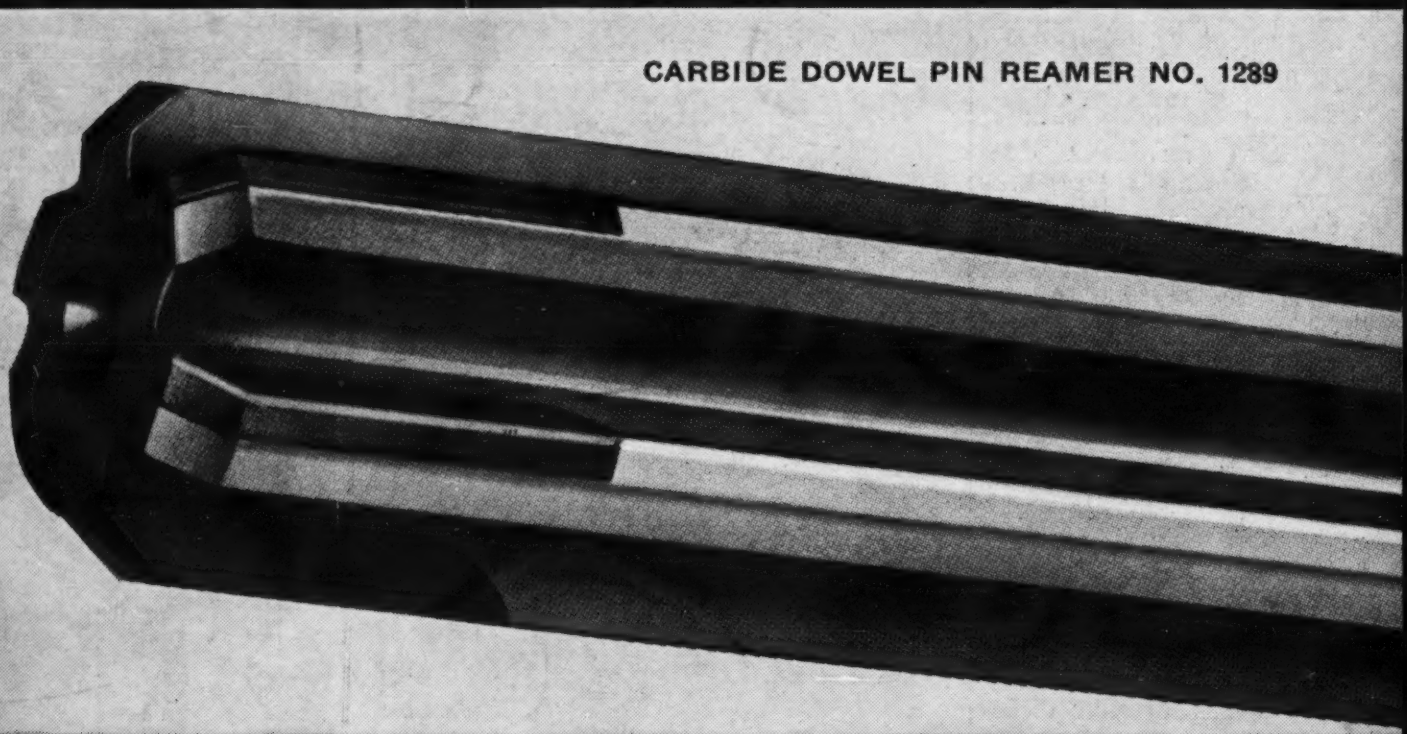
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